

THE **COSTCO** **CONNECTION.**



More content, less waste

For Online Edition details, see page 3

A lifestyle magazine for Costco members

A world of Costco 22

Costco means value
around the globe

A perfume primer 29

Special Section:

Games for the holidays 43

Buying Smart:

Costco's wines 48

October 2006 • Vol. 21 • Number 10

Setting up an HDTV 17 October's Book Pick 35 Group tours in Europe 47

CONFIDENT.

Because I use the lens-care solution
trusted by more than 20 million people.



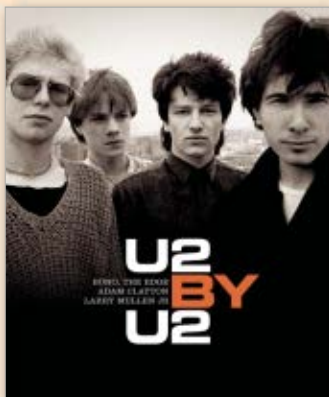
Bausch & Lomb ReNu MultiPlus® Multi-Purpose Solution:

- The #1 selling multi-purpose formula.¹
- Trusted by more than 20 million contact-lens wearers.
- Cleans, rinses and kills germs in just four hours.
- Relied on by eye doctors worldwide.

For a confident and healthy
lens-wearing experience, make
ReNu MultiPlus Solution part of
your daily lens-care routine.

Bausch & Lomb
Perfecting Vision. Enhancing Life.™

¹ACNielsen U.S. sales 52 weeks through 4/1/06 all outlets.



Available early November

Marie Antoinette lived a brief but captivating life. Now, the acclaimed author of *Ahab's Wife* paints a portrait of the legendary woman that goes beyond popular myth—and beyond the history books—in her novel **Abundance**.

WILLIAM MORROW / HARDCOVER

Bono, The Edge, Adam Clayton and Larry Mullen Jr. tell their story for the first time in **U2 by U2**. With images, memorabilia, stories and songs from the last 25 years, this compilation is an insightful, firsthand account of the evolution of one of the biggest bands in the world.

WILLIAM MORROW / HARDCOVER



On sale October 3



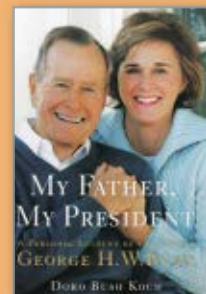
Available late October

Traditional calendars have gone electronic with **eDay2Day Calendars**! Now you can keep track of your hectic schedule right on your computer desktop. Each disc loads easily onto your PC and is packed with features, including a funny or memorable daily quip, a memo pad, "To Do" button, appointments and occasions displays and much more!

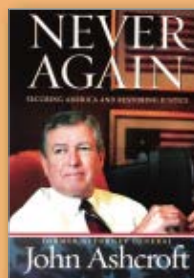
ANDREWS MCMEEL PUBLISHING / ELECTRONIC CALENDARS

Doro Bush Koch gives a rare look inside the life and the career of her father, President George H.W. Bush. Complete with contributions by well-known figures from Bush's past as well as other members of the Bush family, **My Father, My President** promises to be the one memoir everyone will be talking about this fall.

WARNER BOOKS / HARDCOVER



Available early October

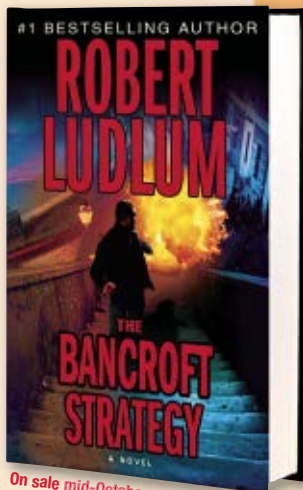


On sale October 3

In former Attorney General John Ashcroft's provocative book **Never Again**, you'll meet the man behind the title, see what makes him tick and find out what he believes must happen in order to make America a safe place to live once again.

CENTER STREET / HARDCOVER

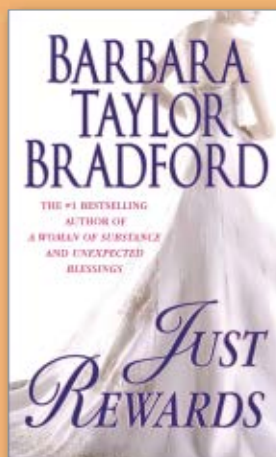
discover, learn, enjoy. read a new book today!



On sale mid-October

The Harte family saga continues in Barbara Taylor Bradford's latest. Linette O'Neill returns from her honeymoon full of big ideas for the family business. But family and business don't always mix, and soon the Harte women find themselves in a power struggle that pits sister against sister, in **Just Rewards**.

ST. MARTIN'S / PAPERBACK



Available early October

Todd Belknap is a legendary field agent with a reputation for being rebellious. When his best friend, a fellow agent, is abducted by a militia group in Lebanon, Belknap must take matters into his own hands, in Robert Ludlum's thriller **The Bancroft Strategy**.

ST. MARTIN'S / HARDCOVER



The days of stressing out in the kitchen are over! Now you can cut corners without cutting quality. Sandra Lee shows you how to cook a fabulous appetizer, entrée or dessert with a few prepackaged items and some fresh food, taking ordinary groceries and making extraordinary creations. It's homemade cooking—but easier. Choose from **Semi-Homemade Cooking, Semi-Homemade Slow Cooker Recipes, Semi-Homemade Desserts** and more!

MEREDITH BOOKS / PAPERBACK

Available now

WAREHOUSE ONLY



The world(s) of Costco ²²

Although the themes of value and quality are consistent throughout the Costco universe, members will find unique attributes, products and presentations reflecting the personality and tastes of each country.

DEPARTMENTS

- 5 Editorials**
By Ginnie Roeglin and David W. Fuller
- 7 Dialogue**
Letters from our readers
- 9 Fresh Views**
Brain food for the entrepreneur
- 11 Consumer Connection**
By David Horowitz
- 14 Debate**
Should voting be encouraged through lotteries?
- 17 Tech Connection**
By Marc Saltzman
- 39 Book previews**
Kids and pets
- 68 Member Connection**
Odds and ends from Costco members



Small-business health insurance 51

- 19 Nice guys finish first**
Research shows following certain moral principles at work can pay off.
BY LISA ALCALAY KLUG

- 21 Hack busters**
Costco member RocketReady helps firms fight back against the hack.
BY LEAH INGRAM

- 29 Scents and sensibility**
Sniffing out which scent is best when choosing a fragrance just got easier.
BY JAN MORAN

- 32 Hearing the Word**
The Bible comes to life in an audio version with an impressive cast.
BY GLORIA BLAKELY

- 35 Book Buyer's Pick**
At 29, Jonathan Safran Foer, author of *Extremely Loud & Incredibly Close*, has already made an indelible mark in the writing world.
BY DORMAN T. SHINDLER

- 43 Head games**
Puzzling brain games offer a host of new ways to put your noggin in knots.
BY CHARLES BERMANT

- 45 I came, I saw, I played**
A preview of hot video games, and the best consoles to play them on.
BY STEVEN L. KENT

- 47 Costco Travel in Europe**
Trafalgar Tours creates escorted tours throughout Europe to match any pace.
BY T. FOSTER JONES

INSIDE COSTCO

- 48 Buying Smart:**
Kirkland Signature™ wines
Port, Pinot Noir and French Brut Champagne are just the latest wines introduced under Costco's private label.
BY PAT VOLCHOK

- 51 Member Services**
Saving time and saving money are the focus of these payroll and health insurance services for Costco business members.
BY STEVE FISHER

- 61 Holiday greetings, the smart way**
Costco makes it easy—and affordable—to send holiday cards. Check out this year's new designs.
BY DAVID WIGHT

Also:

- 27** Locations map
- 62** What's New
- 66** Specialty Services/
Special Events
- 67** Member Services
Update



THIS MONTH ONLINE

Cover story supplement

Revisit *Connection* editor Dave Fuller's 1998 feature about Costco's expansion to Asia.



Costco
International 22



Book feature

Everything you've ever wanted to know about *Guinness World Records*.

Book Look

News in the publishing world, book giveaways and warehouse book signings.

Bonus Dialogue

More letters from readers.

Bonus interview

Stephen Covey's inspirational ideas are timeless.

Business feature

Employee suggestions can lead to big payoffs.



New in "Resources"

After you read Pat Volchok's look at Kirkland Signature premium wines, visit the *Online Edition*, where you'll find the new *Kirkland Signature Wine Connection*, an online resource guide with specifications on the current line of wines in the Kirkland Signature family.



Subscription changes

Membership Number

Business Name

First Name

Middle Initial

Last Name

Address

City

State

Zip Code

Phone

E-mail Address

☐ New address

☐ Please cancel my print subscription.

Mail to:
Subscription Department
The Costco Connection
P.O. Box 34088
Seattle, WA 98124-1088

E-mail:
customerservice@costco.com

Fax:
(425) 313-6718

Please allow four to six weeks for processing.

Subscribe to our Online Edition and receive special offers

It's easy to subscribe to the *Online Edition*. Go to costco.com and enter your e-mail address where you see "Sign up to receive offers." Each week you'll receive product news, special offers and a link to the *Online Edition*. Costco does not sell or share members' e-mail addresses.



Get more from every business purchase with your Costco American Express Card.

Use the Card everywhere it's accepted and don't miss out.

Valuable Rewards. Virtually every purchase inside and outside of Costco can earn you cash back¹ on your TrueEarningsSM Business Card, or Membership Rewards² points on your enrolled Costco Business Charge Card.

Savings. The OPEN SavingsSM program³ provides automatic, built-in discounts at partners like FedEx, Hertz[®], AT&T, Courtyard by Marriott[®] and more.

Visit **open.com** to learn more about the features and benefits of your Card.

¹The rebate applies to purchases but not to cash advances, returned purchases, balance transfers or the purchase of American Express Travelers Cheques or American Express Gift Cheques. ²Membership Rewards program terms and conditions apply, enrollment required. ³OPEN SavingsSM. Payment must be made with an American Express[®] Business Card. Participation and offers are subject to change without notice. Terms and conditions apply. For more information, please visit opensavings.com.



MORTGAGE & REFINANCING • HOME EQUITY FINANCING • REAL ESTATE AGENT SERVICES

Get a Costco deal on your next home loan.

LendingTree provides great value to Costco members.

Visit **costco.com**
and click on Services,
or call 1-800-496-8733.



Costco benefits are not available through LendingTree.com. LendingTree is a duly licensed real estate broker and mortgage broker as required. For a current list of applicable state licensing disclosures, see the Web site or call for details. LendingTree is required to disclose the following licenses by state law (current as of May 1, 2006): AZ Mortgage Broker License #MBBR-0102663; Licensed Real Estate Broker, CA Department of Real Estate, (916) 227-0931, License #01230150; CA Finance Lender; CT Mortgage Broker (not a CT Mortgage Lender); GA Residential Mortgage Licensee; IL Residential Mortgage Licensee, License #5433; KS Licensed Mortgage Co., #99-827; Licensed Mortgage Lender, MD Department of Labor, Licensing and Regulation, License #4737; MA Licensed Mortgage Broker, License #MB1942; MS Licensed Mortgage Co.; MO mortgage broker license 05-1261 with an office at 10805 Sunset Office Drive, Suite 312, St. Louis, MO 63127; licensed by the New Hampshire Department of Banking; LT Technologies, in lieu of true name LendingTree, Inc., Registered Mortgage Broker - NYS Banking Department; Licensed Mortgage Broker - NJ Department of Banking and Insurance; OH Mortgage Broker Registrations, MB 3006 & MB 3007, 37812 Second St., Willoughby, OH 44094; Licensed First Mortgage Broker, PA Department of Banking (also licensed pursuant to PA Secondary Mortgage Loan Act); RI Licensed Broker; licensed by the Virginia State Corporation Commission MB-1120. In California, this solicitation is made by Costco Financial Services, Inc., which is licensed by the California Department of Real Estate (License #01235998). Costco and its affiliates do not negotiate, arrange or make loans.

06EX1315_A 10/06



PUBLISHER Ginnie Roeglin

EDITOR David W. Fuller 425-313-8510 dfuller@costco.com

MANAGING EDITOR Anita Thompson 425-313-6442
athompson@costco.com

ASSOCIATE EDITORS

Tim Talevich, Seattle 425-313-6759 ttalevich@costco.com
Lorelle Gilpin, Ottawa 613-221-2009 Lorelle.Gilpin@costco.com
Sue Knowles, London 011-44-1923-213113 sknowles@costco.co.uk
Raymond Kyunghwan Kim, Seoul 82-2-2630-2703 khkim@costcokr.com

SENIOR EDITOR T. Foster Jones Tod.Jones@costco.com

ONLINE EDITOR David Wight David.Wight@costco.com

ASSISTANT EDITOR Jacqueline Jin, Seoul jjin@costcokr.com

REPORTERS

Will Fifield wfifield@costco.com
Stephanie E. Ponder sponder@costco.com
Steve Fisher steve.fisher@costco.com

EDITORIAL ASSISTANT

Dorothy Strakele 425-313-6899 connection@costco.com

COPY EDITOR Miriam Bulmer

CONTRIBUTORS

Rhonda Abrams, Brian Basset, Charles Bermant,
Gloria Blakely, David Horowitz, Leah Ingram,
Steven L. Kent, Lisa Alcalay Klug, Jan Moran, Donna Patané,
Valerie Ryan, Marc Saltzman, Dorman T. Shindler, Pat Volchok

ART DIRECTOR Doris Winters dwinters@costco.com

ASSOCIATE ART DIRECTOR

Lory Williams lwiliams@costco.com

GRAPHIC DESIGNERS

Ken Broman, Bill Carlson, Susan Detlor, Chris Rusnak,
David Schneider, Dawna Tessier

PRODUCTION MANAGER Pam Sather psather@costco.com

ASSISTANT PRODUCTION MANAGER

Antolin Matsuda amatsuda@costco.com

PRODUCTION SUPERVISOR

Elaine Emond, Ottawa Elaine.Emond@costco.com

COLOR TECHNICIAN MaryAnne Robbers mrobbers@costco.com

ADVERTISING MANAGER

Jane Klein Shucklin 425-313-8277 jshucklin@costco.com

ASSISTANT ADVERTISING MANAGER

Kathi Tipper-Holgersen 425-313-6581 ktipper@costco.com

ADVERTISING COORDINATORS

Isabel Levasseur, Ottawa 613-221-2394
Isabel.Levasseur@costco.com

Deborah Lipman, London 011-44-1923-830481

dlipman@costco.co.uk

Steve Trump, Seattle 425-313-6969 strump@costco.com

ADVERTISING / PROMOTION COPYWRITER

Bill Urlevich

BUSINESS MANAGER Janet Burgess

CIRCULATION MANAGER Rossie Cruz 425-313-6715

rcruz@costco.com

ADMINISTRATIVE ASSISTANT

D. Ted Harris 425-313-2937 dtarris@costco.com

COSTCO WHOLESALE

P.O. Box 34088, Seattle, WA 98124-1088
999 Lake Drive, Issaquah, Washington 98027
Fax: 425-313-6718

E-mail: connection@costco.com

For information on warehouse hours and more:
1-800-774-2678 costco.com



The Costco Connection is published by Costco Wholesale. All facts, opinions and statements appearing within this publication are those of the writers and editors themselves, and are in no way to be construed as statements, positions or endorsements by Costco Wholesale or its officers. Publishing offices are located at 999 Lake Drive, Issaquah, WA 98027. Information in The Costco Connection is gathered from sources considered to be reliable, but the accuracy of all information cannot be guaranteed. Copyright © 2006 Costco Wholesale. Products advertised may not be available at all locations at time of publication.

from the publisher's desk

Ginnie Roeglin



Ginnie Roeglin is Senior Vice President, E-Commerce and Publishing, and Publisher of The Costco Connection.

AS OUR COVER STORY on page 22 explains, Costco has long been a global company. We are proud to serve more than 45 million Costco shoppers in 494 warehouses worldwide, with 25 percent of them located outside the United States. Our global nature has also enabled us to source products from around the world to offer our members the highest possible quality at the lowest possible price—every day, everywhere.

For example, in our warehouses in the U.S., Canada, Mexico, the United Kingdom, Korea, Japan and Taiwan you'll find cherries from California and Washington, watermelons from Korea, kiwi fruit from New Zealand and red grapes from Chile. Our expansion continues as we prepare to open another 35 warehouses this year and eagerly anticipate the opening of our milestone 500th location next month.

Perhaps nothing is more international in scope than fine wine. As Pat Volchok writes in her "Buying Smart" article on page 48, we launched our own Kirkland Signature™ private-label premium wines in 2003. As Costco's national director of wine, Annette Alvarez-Peters, explains, Kirkland Signature wines "embody the best of a wine region"—at a 20 percent or better savings over similar wines.

Our Kirkland Signature wines are scheduled to arrive at staggered times throughout the year in limited quantities. If you would like to be notified when the wines are available, visit costco.com and enter your e-mail address in the e-mail address window on our home page. We'll send you our weekly e-mail notice with warehouse news and special offers from costco.com. Rest assured that Costco never rents or shares your e-mail address with others.

As you may have noticed the last time you visited your local warehouse, the holiday season has arrived at Costco. Before the month slips away, this is a great time to take care of your holiday cards. Be sure to read about our quick and easy holiday greeting card program on page 61. Just upload your favorite digital photo to costco.com, select a card design, place your order and pick up the finished cards the next time you visit the warehouse.

See you in the warehouse this holiday season! 📺



David W. Fuller is Assistant Vice President, Publishing, and Editor of The Costco Connection.

from the editor's desk

David W. Fuller

IF YOU READ Rhonda Abrams' column this month (page 9) you will find an excellent example in less than 400 words of several key concepts underlying The Costco Connection's editorial approach.

I found this succinct piece, called "When in doubt, get real," to be both informative and inspirational. Rhonda, who has built a career on counseling entrepreneurs and would-be entrepreneurs, sets out her premise (that we all are subject to what she calls the "Fraud Factor" when we find ourselves as the new kid on the block) and then offers

specific advice for coping with and overcoming this syndrome.

Her advice and her attitude can be summed up in a word: supportive.

This is exactly what The Connection aspires to convey in a large part of its editorial offerings. We hope that our articles are seen as offering advice without preaching, providing assistance without insistence, being informative without being dull.

People often ask us why we go to all the trouble to include articles in this magazine that do not specifically promote products we are selling. There are many reasons for this. One of the most important is that we view our members/customers as people, not just purchasers. If we can help support them in their businesses or in the business of living, if we can help them find what they are looking for in their lives without spending an undue amount of time or money, we should do it.

It is not a matter of altruism. It is a long-term act of faith in and respect for our members. We believe this long-term supportiveness, along with having the right merchandise at the right prices, will lead to our members returning the favor of supporting us when the time comes for shopping. 📺

WIRELESS PHONES

Get Exclusive Extras:

Service Activation Credit
(2 Year New Activation Agreement Required)

Accessory Bonus Pack included
with every phone
(Bonus Pack includes: Vehicle Charger, Handsfree
Earbud and Belt clip or Case)



T-Mobile
authorized dealer



verizonwireless
Authorized Retailer

Sprint



Carrier selection may vary by warehouse. New activation required to receive service activation credit with handset purchase. Restrictions Apply. See wireless kiosk for details.

Sprint Disclaimer: 2-year subscriber agreement required. Other restrictions, activation, and termination fees apply. See printed material for details. Sprint phone advertised is Sprint PCS Phone PM-A600 by Samsung®.

Verizon Wireless Disclaimer: IMPORTANT CONSUMER INFORMATION: Subject to Customer Agreement, Calling Plan & credit approval. \$175 termination fee per line, other charges and restrictions. Offers not available everywhere. Network details, coverage limitations & maps at verizonwireless.com © 2006 Verizon.

T-Mobile Disclaimer: Additional restrictions apply, see printed materials and T-Mobile's Terms and Conditions, viewable at www.t-mobile.com, for details. Limited time offer and subject to change without notice. T-Mobile is a federally registered trademark, and the magenta color is a trademark, of Deutsche Telekom AG. © 2006 T-Mobile USA, Inc.

WAREHOUSE ONLY

Find a Local REALTOR®

Receive up to a \$1,500 Cash Rebate on a \$250,000 home* when you buy or sell.

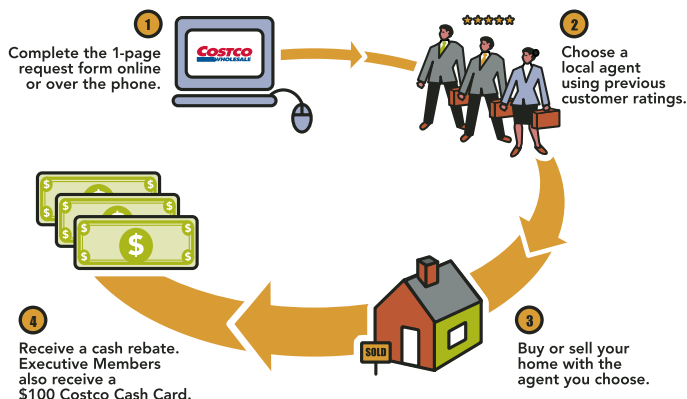
Visit **costco.com**
and click on Services
or call **1-800-496-8733**.

Choose from **top local agents**
from companies you know and trust.

Costco benefits are not available through LendingTree.com.
*Rebates are not available in all areas. Real Estate Agent Services are administered by LendingTree and are available in all states in which Costco operates except for Alabama, Alaska, Iowa, Kansas, Missouri and New Jersey. • Must use a Realtor participating in the program. Sample rebate is based on a 6% commission split 50/50 between the buying and selling agent. Actual rebate is calculated based on actual commission percentage and home price. Be sure to verify with your real estate agent what the commission percentage is on your transaction as this will affect the amount of your rebate.
• For a full rebate schedule, state restrictions, state licenses, disclosures and applicable terms and conditions, go to **costco.com** and click on "Services". Costco and its affiliates do not list or sell homes. • **REALTOR®** - A registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.



How It Works



LendingTree®

COSTCO
WHOLESALE

08EX1315_B 10/06

MORTGAGE & REFINANCING • HOME EQUITY FINANCING • REAL ESTATE AGENT SERVICES



Debate goes on

In response to the September Debate, "Should girls and boys be taught in separate classrooms?"

YES. If boys and girls are separated, who is left to impress, or to distract each gender from daily lessons?

Jim L. Jensen, Grants Pass, Oregon

NO. Much depends on the skill of the teacher. Can he or she get the students to approach subjects in a neutral manner? And, most important, can he or she teach students to respect each other regardless of gender? I would like to see each student get exposure to the best characteristics of the opposite gender.

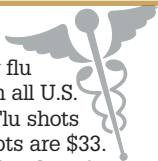
Martin Goldber, Hackensack, New Jersey

Flu shots

Costco again is offering flu and pneumonia shots in all U.S. warehouses this year. Flu shots are \$18; pneumonia shots are \$33.

Information about the shots is available at each warehouse's pharmacy counter.

You can find scheduling information about the program online at www.findaflushot.com/costco.



Have something to say?

Readers are encouraged to submit letters to our editors on any topic or issue covered in *The Connection*. Please include your full name and phone number or address. Send all letters to: Dialogue, *The Costco Connection*, P.O. Box 34088, Seattle, WA 98124-1088; fax to (425) 313-6718; or e-mail to dialogue@costco.com. The editors reserve the right to edit letters for publication.

CORRECTION

The Novaform Elite Choice two-in-one mattress topper at Costco has 2½ inches of memory foam on one side and 1½ inches of microfiber fill on the other side. The figures were misstated in September's "Buying Smart."

Odds and ends

Story was offensive

I found Janice Taylor's parody on "Our Lady of Weight Loss" [September *Connection*] to be an offensive attack on the religious beliefs and practices of the Catholic Church, my faith. Your magazine should not have printed an article showing such a rude parody on the highly serious and religious icon art of the Catholic Church. I doubt your magazine would have highlighted a similar attack on icons or images from Jewish or Islamic religions and I strongly resent and object to the Catholic Church once again being used as an object of ridicule.

Pat Giacomini, via e-mail

Janice Taylor responds:

When I was 8 years old, I weighed 113 pounds. Of my family, friends, teachers and even the milkman—not one of these influences from my childhood helped me feel comfortable in my own ample skin when I was growing up. Only when I visited the kind nuns at the Convent of Our Lady of Snow did my concerns about my weight melt away.

In honor of the sisters of Our Lady of Snow, I wrote Our Lady of Weight Loss: Miraculous and Motivational Musings from the Patron Saint of Permanent Fat Removal—a collection of fun and funny tales that highlight my 50-

pound loss. The book is meant to inspire, motivate and support my fellow travelers on the road to weight loss.

Catholics have a beautiful and admirable relationship with the Virgin Mary—a relationship I deeply respect and honor. I have received very encouraging feedback from people of all faiths, including many Catholics. My artwork has been exhibited in the National Museum of Catholic Art and History in New York, and a large Catholic church in Texas asked me to donate 12 copies of Our Lady of Weight Loss for their fund-raising drive.

Our bodies are our temples, and I believe we honor our Creator by honoring His creation—that is, ourselves. I hope that Our Lady of Weight Loss can inspire people to take better care of themselves—inside and out.

I'm proud of my book and I'm proud that, in a violent and sometimes depraved world, I have been able to contribute a little love, support and laughter.

ONLINE BONUS! You can read more Debate responses and letters from members in the *Online Edition*. Go to costco.com and click on "Costco Magazine."

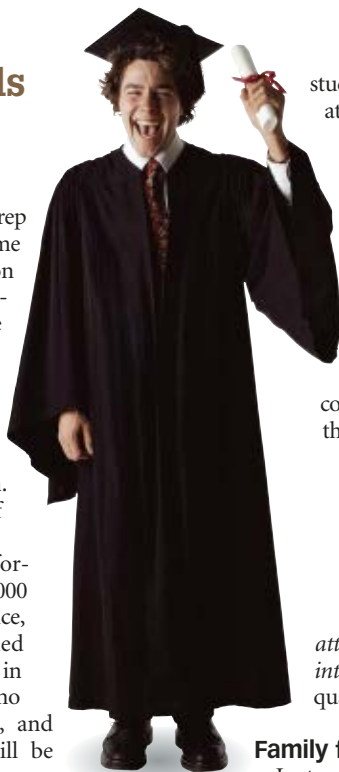
Odds and ends (cont. from page 7)

Schooling on college financial aid

The article ["Tuition prep 101," August 2006] has some very dangerous information for any family who will qualify for financial aid. The following is what both parents and students need to know about summer jobs, work in general, student assets and how they factor into the financial-aid system. Sadly, too few are aware of the consequences.

In the financial-aid formulas, students have a \$3,000 income-protection allowance, but for every dollar earned over that they lose 50 cents in financial aid. Students have no asset-protection allowance, and every dollar they have will be assessed at 20 percent per year.

In the financial-aid formulas, even if the



student has no earnings, but will attend one of 225 elite private and/or state colleges that in addition to the free application for federal student aid require the College Scholarship Service financial-aid profile, there is an automatic income assessment of \$1,000!

For the past 25 years I've helped thousands of families send their kids to the college of their choice for less than they ever dreamed possible.

Reecy Aresty
*College Admissions/
Financial Aid Expert*
Boca Raton, Florida

Thanks to Mr. Aresty for bringing this information to our attention. However, our article was intended for families who do not qualify for financial aid.—Ed.

Family fun around the fire pit

Last spring, *The Costco Connection* ran an ad for a fire pit with four chairs that

caught my eye. When I saw the set at my local Tigard, Oregon, warehouse I knew that it was just what I needed. But my husband wasn't quite as excited as I was. We thought about it for about a month. (Note to Costco shoppers: Waiting around is ill-advised.) When I went back to our Tigard warehouse to purchase it, the fire pits were all gone.

Then I found out they were still available—in Salem, Oregon, and Anchorage, Alaska. Having missed one opportunity, I rented a U-Haul truck and drove [about 40 miles] to Salem, bought the fire pit and chairs, and then took them to our home in Myrtle Creek. But the payoff came this summer when our children and grandchildren visited and we were able to use our new fire pit for s'mores!

Sara Hunt, via e-mail

Affection for *The Connection*

Being a female business owner, I particularly appreciate reading Rhonda Abrams' and Suze Orman's commentary in your magazine. Their columns have been very helpful to me personally and professionally. *The Connection* is just one more special benefit that puts Costco a cut above other retailers.

Kally J. Tsangaris, Merrillville, Indiana

We speak payroll!

Payroll made easy.
Payroll taxes done right.



Intuit
Payroll Services
from the makers of QuickBooks®

Call an Intuit Payroll Specialist at **1-866-297-7900** and mention Source Code **C40020**. Or, visit **costco.com** and click on Services.

Subscription, FEIN and Internet access is required for QuickBooks Assisted Payroll and Intuit Payroll Services Complete Payroll. Additional requirements and restrictions apply. Terms, conditions, pricing, features, support and service options are subject to change without notice. © 2006 Intuit Inc. All rights reserved. Intuit, the Intuit logo and QuickBooks are registered trademarks of Intuit Inc. in the United States and other countries.

06EX1304 10/06

RHONDA ABRAMS: STRATEGIES



Rhonda Abrams' newest book is *Successful Business Research*. For more tips, see www.PlanningShop.com.

When in doubt, get real

AFTER I HAD BEEN in business for a couple of years, a friend asked me, "Rhonda, when did you know you were good at what you do?" It was then I realized it had been quite a while since I'd experienced the "Fraud Factor."

The Fraud Factor hits when you're in a new phase of your life—starting a business, changing jobs, getting married, having a baby. You don't yet feel like you're "really" an entrepreneur, spouse, parent. You're just playing a part.

Part of the Fraud Factor comes from the fact that you're *new*. It takes time and experience for your confidence to grow along with your abili-

ties. The Fraud Factor is common and natural, but to overcome that feeling as fast as you can, there are some simple steps to take.

Get educated. The more you know about what you're doing, the more confident you'll feel. Attend seminars, read books, take classes.

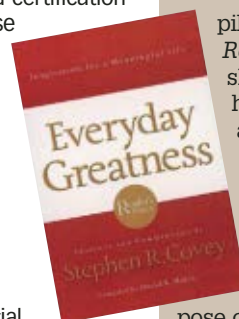
Get connected. Join with others who are in the same boat. If you're starting a business, join entrepreneur organizations. Make friends at your new job; join a new-parents group.

Get credentials. Most professions and trades offer some form of advanced-certification programs. These credentials increase your sense of confidence.

Give yourself credit. You may be new to this phase of your life, but you have other experiences that make you capable. Remind yourself of your skills and talents whenever you're feeling insecure.

Get real. The surest way to feel like a fraud is to be one. Never misrepresent yourself. When potential clients ask you about your experience, be honest.

So what did I say to my friend who asked the question about when I knew I was good at what I do? I told her I really didn't know; one day I just did. And so will you. [E]



BUSINESS

PREVIEW

Covey unplugged

STEPHEN COVEY gained fame for giving us *The 7 Habits of Highly Effective People*. His latest role is in an inspirational book, *Everyday Greatness* (available at costco.com).

The book is a compilation of stories from *Reader's Digest* that show courage, respect, humility and perseverance against incredible odds. Covey, a Costco member, comments on these stories, examining how their heroes made choices to act, seek a higher purpose or follow key principles. (For an interview with Covey from *The Connection's* archives, see this month's *Online Edition* at costco.com under "Costco magazine.") [E]

Staying in touch throughout the year

SENDING HOLIDAY cards to business clients is always a nice thought, but there are other creative ways to stay in touch year-round, advises Keith Ferrazzi, a marketing and sales con-

sultant based in Los Angeles. Here's a list.

- Write or call to celebrate events that matter—the more personal, the better: birthdays, wedding anniversaries, a child's graduation and even ethnic or religious holidays. When your relationship is strong enough, be sure to send condolences when not-so-good events occur, too.

- Write or call to offer congratulations on company milestones, such as the anniversary of the company's

founding and, especially for public companies, quarterly earnings reports.

- Offer to help the client's child in high school or college get a summer internship.

- When you're in the same town, do something together outside the office. Perhaps go for a run or do another kind of workout, or offer an invitation to a non-business dinner with several interesting, fun people.

- Make an unsolicited introduction—even over e-mail—to someone in your network whom your client would benefit from knowing.

- Call to ask for advice on something the client is particularly knowledgeable about. Perhaps he or she knows how to play the guitar and you want to start, or is a great parent and you are having a child soon.

- Invite the client to an "impact weekend" that you organize—a conference where

he or she can meet and collaborate with other movers and shakers interested in making an impact in a specific area of business or life.

- Summarize a couple of books you like. Send the summaries and the books before a vacation or holiday weekend so the client will have ample time to read them.

- For cards, Thanksgiving works well because no one sends them then and it's a perfect time to express your gratitude for the relationship.

- December's busy, so add the client's number to your speed-dial and make a quick call to catch up when there's a break in the action. But make it brief.

Ferrazzi, a Costco member, is author of *Never Eat Alone* and *Other Secrets To Success, One Relationship at a Time* (Currency/Doubleday, 2005). For more, see his Web site at www.ferrazzigreenlight.com. [E]



JUPITER IMAGES

Odds and ends

Time best spent?

I am writing in response to the article entitled "Smart steps to take one by one" in the September edition.

Get to the office one hour early? American workers already work longer hours than [workers in] most of the other industrialized countries, and for what? We are overweight, anxiety ridden, in debt and have high rates of divorce. A much better suggestion would have been "Spend one hour more with your family." No one while lying on their deathbed wishes they had spent more time at work.

*William G. Nolan
Birmingham, AL*

Big baby savings

As a mother of 5-month-old twins I don't really have time or money to go shopping, so it's nice to be able to go to Costco and get Kirkland Signature™ diapers, baby wipes and formula all in one trip and for far less money. I'd like to add that I have used all of the formulas out there, and Kirkland Signature Infant Formula with Iron has been the only formula that my girls have tolerated. They suffered from horrible colic with all the others.

My only wish is that it was less expensive to ship or that there was a closer warehouse. The closest Costco is 30 miles from me.

*Patty Bullock
Tooele, Utah*

Content rich in vitamins

Thank you so much for the great article you ran in your September issue of *The Costco Connection* on vitamin E. It was extremely informative and written in a way that laymen—and -women!—could easily understand. I'd love to see more articles by Dr. Johnson.

*Mary DeLuca
Alpharetta, GA*

Corporate kudos

I just had to write and say, Thank you, *Costco Connection*, for highlighting companies like Stonyfield Farm in your September issue. "A culture for change" was not only informative but also very relevant and timely.

It behooves companies from all industries to understand that they have a moral

responsibility to minimize the impact that their business strategies, manufacturing processes, packaging and waste disposal programs are having on the environment.

More people are starting to take notice of this and will vote with their wallets when it comes to purchasing products from companies that are ecologically sensitive and responsible.

I've been purchasing Stonyfield products from my local supermarket

visit. A local supermarket had chicken breasts on sale for \$1.77 per pound, and since "my Costco" is 45 minutes away, I decided to use the local market. What a mistake! The boneless, skinless breasts had gristle parts, and I even found a bone in one breast. I have never had this experience with Costco products. If I ever thought that local sales might be the way to go, this was the acid test of how wrong-headed that is. Costco provides quality along with value ... something the local supermarkets don't always match.

*Wallace L. Giles
Sedona, AZ*

Healthy organization

I read with great interest David Horowitz's column "Ask first before mixing drugs" in the September 2006 issue of *The Costco Connection*. As always, his column hit the mark with vitally important information.

Some may be hesitant to follow David's advice regarding keeping a list of their own medications and providing it to the doctor at each visit, either because of the extra effort required to create the list or out of fear of "bothering" the doctor. Having been an individual who has always taken an active role in my own health care, I can honestly say that neither of these concerns should be an issue.

For many years now, I have maintained a list of each family member's prescriptions on the computer in a simple spreadsheet. The effort required to maintain the spreadsheet is minimal, as it needs to be updated only when the medication or dosage changes.

Prior to a trip to the doctor's office, I print out the spreadsheet and add to it a list of any medical complaints or questions that I might have. I hand this to the doctor's assistant at the conclusion of the pre-exam (temperature, blood pressure, etc.) and it is placed with the pre-exam notes. In this way, the doctor has a current list of the medications as well as a concise list of my questions and complaints.

My doctors appreciate this as it allows their limited time with me to be focused on treatment and answering questions rather than verifying obvious information. These pages are added to my file along with any additional physician's notes.

Since it is so easy to maintain the spreadsheet, I also keep a copy in my wallet—along with other vital information—so that it can be available to emergency-services personnel should I be involved in an accident.

Keep up the good work!

*Susan Stratton
Berkeley, California*



for a couple of years, and I'm happy to know I'll be able to purchase their delicious organic smoothies at Costco. Thank you for carrying "green" products like these, and I look forward to reading about and buying more from companies that are making a positive contribution to our world.

*Lorena Zapustas
Miami, FL*

Valuable lesson

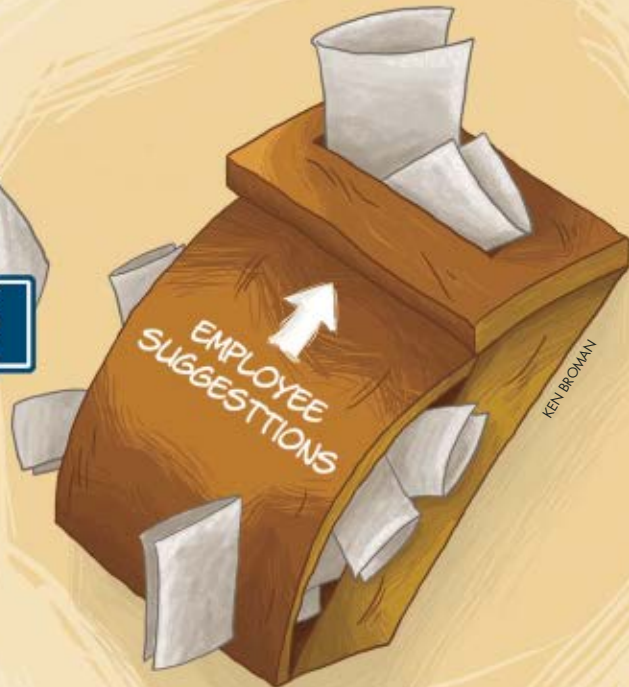
I decided to fix a chicken dish for our neighborhood potluck, and I was running a little short of chicken breasts from my last Costco



So what's the ~~big~~ small idea

Some of the biggest payoffs
come from "small"
employee suggestions

By David J. Dee



Imagine that you're the chairman of a recreational vehicle manufacturing company. You need to lower the weight of one of the most popular vehicles in your line. Who do you turn to for help?

- A. Your top managers
 - B. The best team of consultants money can buy
 - C. All of your employees
- If you are John K. Hanson, you chose C. And you made a wise decision.

In the early 1990s, the founder and chairman of Winnebago Industries asked employees for ideas for reducing vehicle weight, via an open letter in the company newspaper. Within a month, Hanson received more than 200 suggestions—many of them for just a few ounces—that collectively solved the problem.

Of course, picking employees' brains for ideas is not a new concept. Scottish ship-builder William Denny is credited with starting the first employee suggestion system in 1880. The problem is that many organizations—large and small—still aren't tapping this great idea-generating resource to its fullest, explain the authors of the book *Ideas Are Free: How the Idea Revolution Is Liberating People and Transforming Organizations* (Berrett-Koehler, 2004).

Alan G. Robinson and Costco member Dean M. Schroeder—both management professors and consultants—cite Winnebago as one company that gets it right by recognizing that no one is more qualified to solve problems and create new opportunities than the front-line employees who do the work day in and day out.

"Employees want to make their work

easier and help the company," Schroeder tells *The Connection*. "They have lots of ideas—if someone would just ask them."

Even companies that do put a premium on employee ideas don't always reap all of the benefits. Too often, managers are only on the lookout for "home runs"—the big ideas that will leave their competitors behind in the dust. Meanwhile, they miss the less glitzy employee suggestions that would actually have a greater impact on day-to-day cost reductions and improvements.

"The best employee ideas systems encourage employees to come up with small ideas—and lots of them."

—Dean M. Schroeder

As research for their book, Robinson and Schroeder studied the employee suggestion systems of more than 150 organizations. They concluded that the programs that worked best kept the entire process rapid and smooth. "Quick review and implementation results in more ideas and faster realization of their benefits," Schroeder explains. This gives small businesses an edge over big organizations, which are more likely to be stymied by bottlenecks in the suggestion, reviewing and implementation process.

The authors also found that when it comes to generating ideas, more is better than bigger. "The best employee ideas systems encourage employees to come up with small ideas—and lots of them," Schroeder explains. "The more ideas there are to choose from, the more good ideas will emerge."

As an example, the authors point to Grapevine Canyon Ranch in southeastern Arizona. When owner Eve Searle meets with employees every two weeks, each employee is expected to show up with one idea that will improve some aspect of the ranch's operations.

Innovations that have come out of these sessions include adding a step stool in the van

Five easy idea generators

1. Make it easy for employees to suggest ideas. If more information is needed, you can ask the employee for it later.
2. Create a departmental "ideas board" where everyone can post problems and solutions.
3. Order pizza and discuss employee ideas over an extended lunch.
4. Encourage everyone to identify things that make their work difficult, waste money or distract from the customer experience, and then to think of ways to fix them.
5. Nix the reward systems. They run counter to the concept of working together as a team and are difficult and costly to implement. Better: Do something that shows the entire group you value their ideas—such as taking the group out to lunch or buying a new refrigerator for the break room with the money saved by implementing their suggestions.—DJD

for the guests, stocking alcohol-free cider for nondrinkers celebrating anniversaries and adding a screen to the kitchen door to save on cooling costs.

By no stretch of the imagination could any of these suggestions be described as a home run or a big idea. "But the cumulative effect of these small ideas over time has made it possible for the ranch to attain exceptionally high levels of productivity and customer satisfaction," notes Schroeder.

So when you want to boost productivity and reduce costs, think small. And don't forget to ask your employees what *they* think. **Q**

David J. Dee is a Chicago-based freelance writer.



Posturepedic®

Home Delivery Queen- and King-size Mattresses

\$100 Rebate!

When you purchase a Premium Sealy Posturepedic® mattress set in the Costco warehouse nearest you or online at **costco.com**.*

Applies to purchase of Fenway Ultra Plush, Allendale Ultra Plush Euro Pillowtop, Hampton Court Ultra Plush, Sanford Ultra Plush Euro Top and Rock Harbor Euro Pillowtop sets.

*Offer applies to Kiosk or Internet purchases only in the months of October and November 2006. Not available in Alaska. Available in Hawaii through Kiosk only. (Applicable sales tax is on pre-rebate price.)

Purchase a king- or queen-size Premium Sealy Posturepedic® Fenway Ultra Plush set, Allendale Ultra Plush Euro Pillowtop set, Hampton Court Ultra Plush set, Sanford Ultra Plush Euro Top set or Rock Harbor Euro Pillowtop set currently sold at the Sealy Special Order Kiosk located in the Costco warehouse nearest you or online at **costco.com**. Purchase a set in the months of October and November 2006 and you will receive a \$100 rebate **taken at the register**.



Home Delivery



COSTCO
.COM

WAREHOUSE/COSTCO.COM

*Offer applies to Kiosk or Internet purchases only in the months of October and November 2006. Not available in Alaska. Available in Hawaii through Kiosk only. (Applicable sales tax is on pre-rebate price.)

Debts that just won't go away

Also:

- Credit scam
- Take a break!
- Beware of health tests

THE "ZOMBIE DEBT," or the debt that won't die. This problem comes back to haunt people when a company sells off an old debt to a new collection agency. The agency demands payment, even if the debt was paid or discharged in a bankruptcy.

The collector "re-ages" the debt by reporting it to a credit bureau as a new obligation. The practice has been illegal since 2003, but, according to the Federal Trade Commission, it continues to be used in secret. Even though the agency doesn't keep specific statistics on re-aging, it was recently swamped with a 70 percent increase in complaints about third-party debt collectors.

If you find a "zombie debt" reappearing on your credit history and you are turned down or downgraded for a loan, get a copy of your credit report from the reporting agency. Reports are available, at no cost, under those circumstances. Also, write to the creditor and ask for verification of the paid debt. Then, write a letter disputing the debt to the credit bureau that provided you with the report. Both must investigate your dispute, and the credit bureau has to notify you of the results.

Credit-improvement scam

Here's a credit-improvement plan to watch for that can plunge unaware people deeper in debt. A computer sales company advertises itself as a "debt-repair system." It promises to help you rebuild credit by buying one of its computers: You can earn a good mark on your credit report by paying it off on schedule. The theory is that once those initial payments are made, the company reports payments to the three major credit bureaus, which supposedly helps to improve your credit history.

But at what cost? The buyer must pay \$29.99 a week for a full year. The actual cost comes to a whopping \$1,650 to buy a low-end computer that might sell for about \$450 retail.

Credit experts advise that overpaying for an item in the hope that one good credit mark will erase a history of bad listings makes no sense. The Institute for Consumer Financial Education suggests that someone in debt is better off researching the purchase of a computer and then saving up to buy it for a reasonable price.

Less leisure with laptops

The number of Americans who work during their vacations has nearly doubled, making laptop computers a near necessity for white-collar workers. As a result, portable computers have replaced cell phones as the most useful tool for working in and out of the office.

Federal statistics show about 43 percent of office workers now take a computer on vacation, up from 23 percent in 1995. One in four employees spent three or more hours working on vacation. Most reported that they were committed to the job or just had a pressing assignment to complete.

I can appreciate employees completing a task for work and then spending the rest of the time in R & R. But for those workaholics who never leave work behind, the portability of an office computer can mean, literally, all work and no play.

DNA home health tests?

I was astounded when I found people are buying DNA home health testing kits from various Web sites, mail-order companies and other sources. These health kits claim to warn people of disease risks, such as cancer and osteoporosis.

A congressional report warns buyers not to put their faith or dollars in do-it-yourself health testing kits. Another report found that many outfits gave misleading or meaningless information, and little guidance about dangers.

The Food and Drug Administration is investigating the people selling these kits. For more information, see www.FDA.gov. [E]



AMY CANTRELL

David Horowitz is a leading consumer advocate. His "Fight Back!" commentaries are heard daily on the Jones Radio Network. For stations and times, check the radio page at www.fightback.com.

© 2006 FIGHT BACK! INC. ALL RIGHTS RESERVED.

Ask David Horowitz

MY DAUGHTER and son-in-law purchased a house last year, and I am listed on the deed and mortgage. They are now divorcing and can't pay the monthly mortgage. I ended up paying through July 2006, but could no longer make payments. How can I save my credit rating and my own home?

**Josephine
North Hollywood, CA**

JOSEPHINE, I think you should consider selling your daughter's house as soon as possible. Even selling it at a loss is better than losing the home through foreclosure and sacrificing both

equity and a favorable credit rating.

I suggest that you and your daughter apply for a short loan to cover the payments for several months while you put the house on the market. Talk to the original lender and see if they will grant you an extension on back payments. They also have an incentive to save the property rather than lose it through foreclosure or bankruptcy.

If the lender refuses to help, then I suggest you check out other short-term lenders in the area where the house is located.

Do you have a question for David?

Just log on to www.fightback.com and "Ask David." He will personally respond to your problem if you follow the instructions printed on his Web site. (Costco members receive a rebate off the normal fee.) Questions and answers of the greatest interest to Costco members will be used in this column with the permission of the contributor and will be posted on www.fightback.com.

new dove® nourishing
hand wash



Dove

WAREHOUSE ONLY

new!

experience
3X more
moisturizers

- Contains **3 TIMES** more moisturizers than the leading moisturizing liquid hand soap.
- **TRY BOTH VARIETIES:** Deep Moisture with active moisturizers and Cool Moisture with the refreshing scent of cucumber and green tea.
- The result: **SOFT, SMOOTH**...and clean hands. See For Yourself.



Cleanse and Moisturize
every time you wash.

©2006 Unilever
UBNC06-8943

Try New, Improved

Kotex®
LIGHTDAYS® Pantliners

- **NEW!** Comfortably covered design for better panty coverage and flexibility
- **NEW!** All-around leakage barrier
- **NEW!** Beautiful floral absorbent pattern
- **Now available** at Costco in regular and long sizes

Kotex fits. Period.®

© Registered trademark of Kimberly-Clark Worldwide, Inc. © 2006 KCWW.



WAREHOUSE ONLY

PURELL.[®]

Child-friendly. Adult-friendly.

And germ-not-so-friendly.



Germes may lead to illness. Which is why all those little hands should lead to PURELL.[®] Because PURELL Instant Hand Sanitizer kills 99.99% of most common germs that may cause illness.

PURELL is safe, it's easy to use and it helps to promote hand hygiene, which is one of the effective ways to stop the spread of illness-causing germs.



PURELL isn't meant to replace soap and water. But it is meant to be the most convenient way to help keep children's hands protected from the germs that may make them sick.

Use all products as directed.

WAREHOUSE ONLY

 ©2006 Pfizer

Should voting be encouraged through lotteries?

A proposal in Arizona to award \$1 million in every general election to one lucky resident chosen by lottery, simply for voting, has qualified for the November ballot. According to this plan, after the general election one voter would be randomly chosen and awarded \$1 million from the unclaimed prize fund of the Arizona Lottery. Supporters of this plan say that a lottery will dramatically increase voter turnout, thus encouraging more people to get involved in the democratic process. Opponents insist that rewarding people for voting is wrong and that it encourages voting for all the wrong reasons. Should voters be lured to the polls by the chance of striking it rich? What do you think?



Find out more about this topic on the Web:
www.freerepublic.com/focus/f-news/1684331/posts
www.azcentral.com/news/election/

YES

from members:

Kay Haveline
Anchorage, AK



It is important to give incentives to get people to educate themselves and participate in the democratic process.

Bruna Castrini
Boca Raton, FL



It will give people more incentive, especially in the lower income bracket.

Susan Kohen
Newton, MA



It would encourage more people to vote, which is important. The impetus [money] is of lesser importance.

NO

from members:

Dino Guevara
San Leandro, CA



I believe that voting is a duty and should not be financially rewarded.

Alice Janisch
St. Louis, MO



We should vote because we want to voice our opinions, not to have a chance to be lucky.

Jonathan Flynn
Eagan, MN



By making the voting process a game show, you get people to vote, simply to put an X in a box and not contemplate the consequences.

from experts in the field:




Dr. Mark Osterloh is chairman of Arizonans for Voter Rewards and lead author of Arizona's 1998 Clean Elections Campaign Finance Reform Initiative (www.voterrewards.org).

DESPITE ALL OF OUR best efforts, voter turnout has been very low: In the United States only about half of the eligible citizens register to vote, and often only half of them actually vote. There are too many problems in this country to allow this to continue. We need every citizen to get involved in solving our state and national problems by getting out to vote. We think the lottery will accomplish this because it motivates people with rewards.

Our opponents say we are bribing people to vote. No, bribery is when money is given to politicians to buy influence. We are not encouraging people to vote a certain way—they can vote any way they want. We are using a capitalist incentive to reward citizens for exercising their patriotic duty, and there is nothing wrong with this. Why did capitalism win out over communism? Because capitalism has rewards built into the system and communism doesn't. We reward high school students who study diligently with college scholarships. We reward employees who work hard with commissions, pay raises, bonuses and promotions. Let's do the same thing with voting.

Another complaint about a lottery is that it will bring uninformed people to the polls who don't care about their government. But this is the same old discredited argument used in the past when trying to deny the voting franchise to women, Native Americans and African-Americans. Democracy is meant to be government by all the people without such qualifiers as race, gender, creed, literacy, IQ, party affiliation or political correctness. We want every eligible citizen to vote—period!

Currently, many millions of dollars are wasted on minimally effective get-out-the-vote (GOTV) campaigns. With a chance to win \$1 million, which comes from the unclaimed prize fund of the Arizona Lottery, we can get everyone to the polls and the saved GOTV money can be used to educate voters. We will have everyone voting and educated about the issues and candidates, everyone informed about our health-care problems, economic problems, education problems. A true win-win result. 

from experts in the field:




Gabriel "Jack" Chin is the Chester H. Smith Professor of Law at the University of Arizona James E. Rogers College of Law, and director of the Law, Criminal Justice and Security Program (www.law.arizona.edu/depts/cj/default.cfm).

SUPPORTERS OF A MILLION-DOLLAR lottery for voters, on the ballot in Arizona, advance the wrong solution to a real problem. True, too many eligible citizens fail to register and too many registered voters fail to cast a ballot; therefore, general elections are often decided by less than 60 percent of those entitled to vote. Primary elections are worse. However, turning ballots into raffle tickets would be a mistake.

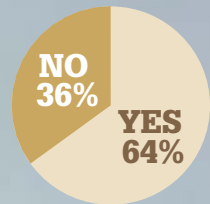
Voters vote because they believe it is their civic duty, because they want to have a hand in creating a better society or to express praise or scorn. It is wrong to suggest that Arizonans should vote not because elections are important, not because voting is the responsibility of citizens in a democracy, but for the remote chance of getting rich. The proposal inevitably implies that voting is like buying a Powerball ticket but better, because it is free, easier and offers a better chance at the jackpot. Additionally, a frivolous atmosphere might actually discourage some conscientious voters.

A lottery would also reduce the quality of elections. The prize is awarded for voting, not for considering the candidates and issues. Blank ballots, randomly filled-out ballots and thoughtful ballots all have an equal chance of winning. The initiative targets those otherwise disinterested in voting who can be persuaded to do so in exchange for a lottery ticket worth less than a buck. Time is money, and people voting only to get the lottery ticket are unlikely to dedicate the hours necessary to come up with informed positions about issues, candidates and ballot questions.

Although a lottery for voters is misguided, states can and should increase participation by offering voting by mail to all, making election day the last of a several-day balloting period, holding elections on Saturdays or making election day a holiday, and providing for election-day registration. Some states have increased the eligible voting pool by restoring the voting rights of persons convicted of crimes who have paid their debt to society and been released from prison. Door prizes are for parties, not polling booths. 

SEPTEMBER DEBATE RESULTS:

Should girls and boys be taught in separate classrooms?



Opinions expressed are those of the individuals or organizations represented and are presented to foster discussion. Costco and *The Costco Connection* take no position on any Debate topic.

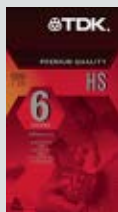


See Dialogue pages for more debate responses

PURE RECORDING PERFECTION



DVC
8 Pack



VHS
10 Pack



PrintOn DVD-R
100 Pack Spindle



PrintOn DVD+R
100 Pack Spindle



PrintOn CD-R80
50 Pack



Data CD-R80
100 Pack Spindle



Music CD-R80
75 Pack Spindle



Developed for maximum performance, engineered for absolute reliability and manufactured to the most exacting standards, TDK audio and video media products are the ultimate recording solutions.

Preserve what matters most—your videos, images, music and important files.

Record, replay and relive with TDK.

RECORD, REPLAY, RELIVE

Check out the full TDK product line at
www.tdk.com, The Digital Sweetspot™

WAREHOUSE ONLY



Four key steps to setting up an HDTV

Q: I'm getting a new HDTV for the holidays. What do I need to do to make sure it's set up properly?

A: Congratulations! You will love your new TV's stunning video quality. Graduating from a standard-definition television to a high-definition television (HDTV) can be as significant as replacing a black-and-white TV set for a color one (if you're old enough to remember that!).

But—there's always a “but,” isn't there?—in order to enjoy HDTV to its full potential, you need to make sure the television is set up properly.

The following are four steps to HDTV bliss.

Make sure you have a true HDTV set. Such sets are capable of displaying up to 1,080 lines (interlaced) or 720 lines (progressive) of resolution. Don't assume a wide-screen LCD or plasma television is an HDTV set just because it's flat, as it may be only an EDTV (enhanced digital television). EDTVs can display only 480 lines.

Have the right receiver. After you've taken the new television home and plugged it in, there are a few more things you need to do. Depending on where you live, you might receive some free over-the-air HDTV broadcasts (if your television has a built-in HD tuner), but most people will need to buy or rent an HDTV receiver box from the cable or satellite TV provider. Be aware you will likely have to pay a few extra dollars per month for access to the HDTV programming, too (don't worry—it's worth it).

Have the right cables. Last, you will need the right cables to connect your cable or satellite receiver box to your TV. You probably used the red, yellow and white composite (RCA) cords or a round-ended S-Video cable for your older TV. But high-definition programming requires component cables (red, blue and green), a DVI (digital visual interface) cable or the preferred HDMI (high-definition multimedia interface) cable. Which cable you use depends on what your components can handle.

Go to the right channel. When you have everything in place and are ready to enjoy all the real benefits of HDTV, make sure you tune into the correct HD channels. For example, in some places ABC might be channel 4 for a standard channel, 104 for HD.

In order to enjoy HDTV to its full potential, you need to make sure the television is set up properly.

Q: I need more hard-drive space for my computer. Is it easy to install an external drive, and are they safe?

A: Yes and yes.

First, it's never been easier to add more hard-drive space to your computer, so you can store more programs, games, music, photos and so on.

In the “early days” of personal computers—er, less than 10 years ago—you had to open up your PC's tower to install an internal hard drive, which meant fumbling with ribbons, switches and power cables.

Today, external hard drives are very easy to install. Simply plug the hard drive into one of the computer's USB ports and you'll see a new drive letter show up, such as E: or F:. You can now drag and drop files over from your main C: drive.

If the hard drive isn't a “plug and play” model (it should say on the box), you might have to format the drive before using it, which can be done on a Windows computer using the Administrative Tools area within the Control Panel. Follow the instructions in the drive's user manual.

Most external hard drives require external power, so you'll need to plug yours into an electrical outlet.

Oh, and another advantage to using an external hard drive is the fact that it's mobile, so you can bring it with you to the office or a summer home. You can also unplug it from one computer and use it with another.

External hard drives are an excellent digital storage solution, but be sure to make a backup of your important files every couple of weeks by burning a CD or DVD and keeping it in a safe place. This precaution is just in case something happens to the computer or external hard drive, such as theft, fire, a nasty virus or a harmful power surge. ☑

The Costco Connection

Costco offers a wide range of HDTVs from a variety of manufacturers, as well as HDTV cable setup kits, in the warehouses and at costco.com. Also available in the warehouses and online are external hard drives from Western Digital, Maxtor and other manufacturers.



Marc Saltzman, a leading high-tech reporter, contributes to more than three dozen prominent publications, appears on radio and TV, and is the author of 13 books.

JOHN HRYNUK

Ask Marc Saltzman

Questions about electronics or computers you purchased at Costco? Send them to:

Tech Connection
The Costco Connection
P.O. Box 34088
Seattle, WA 98124-1088
Or fax to (425) 313-6718,
or e-mail to
connection@costco.com

Please include
 “Tech Connection”
 in the subject line.
 Marc will answer
 selected questions in this
 column. We regret that
 unpublished questions
 cannot be answered
 individually.



©Lynne Brubaker Photography

The Innocent Man began with an obituary in *The New York Times*. When I read about the death of Ron Williamson, I was captivated by the brief story of his life.

Here was a man who should have been a professional baseball player, but instead was sent to Death Row and almost executed for a murder he did not commit. His story had so many compelling elements—baseball, injustice, insanity and death—that I knew I had to write the book.

The challenge was to plow through the enormous amounts of material and piece together a coherent narrative of Ron's life. I could have written 5,000 pages, but was somewhat limited to only 500.

The result is the most compelling, and readable, and important story I have yet to write.

Thanks,

The Innocent Man

MURDER AND INJUSTICE IN A SMALL TOWN

JOHN GRISHAM

The Innocent Man
Doubleday Books / Hardcover

John Grisham's first work of nonfiction, an exploration of small town justice gone terribly awry, is his most extraordinary legal thriller yet.

Also available in an unabridged audio CD.



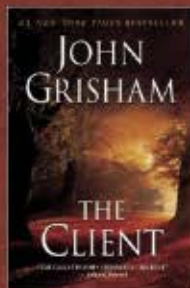
A Painted House

Summer 1952: Mysteries begin flooding 7-year-old Luke Chandler's world after two very dangerous men come to work the Chandler cotton farm.
Delta / Paperback



A Time to Kill

John Grisham's first novel—and purportedly his favorite—this searing courtroom drama probes the savage depths of racial violence.
Delta / Paperback



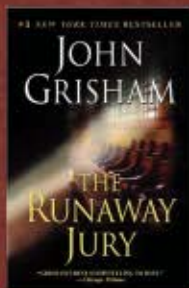
The Client

A chance encounter leaves 11-year-old Mark Sway with an explosive secret: the whereabouts of the most sought-after dead body in America.
Delta / Paperback



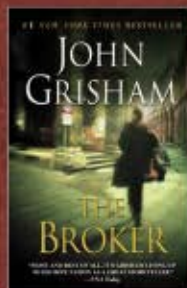
The Last Juror

A man threatens revenge against the jurors who find him guilty of a brutal murder, and, upon his release from "life" in prison, the retribution begins.
Delta / Paperback



The Runaway Jury

A landmark tobacco trial with hundreds of millions of dollars at stake swerves mysteriously off course. Is the jury somehow being manipulated, or even controlled? If so, by whom?
Delta / Paperback



The Broker

The CIA pressures an outgoing president to grant a pardon to a notorious Washington power broker, who may have obtained secrets that compromise the world's most sophisticated satellite surveillance system.
Delta / Paperback

Available October 10, 2006

WAREHOUSE ONLY

Nourishing your employees can benefit the bottom line

Following a moral compass

By Lisa Alcalay Klug

NICE GUYS FINISH last—especially in the competitive business world, right?

Not so, counters executive coach Fred Kiel, who says that while the typical business model focuses on things like profit-and-loss statements, quarterly earnings and other fundamental building blocks taught in business school, the moral compass that a business owner follows is equally important to a company's bottom line.

"The workplace is the result of people's behavior," says Kiel, a Costco member in Minneapolis who holds a doctorate in counseling psychology and has been coaching executives for decades. "When it comes to employees or customers, connecting to them in a way that nourishes spiritually and emotionally will be better for your business. You will tend to motivate and engage and inspire employees, and customers will want to do business with you, even if you cost more than the competition."

Kiel believes integrity, responsibility, compassion and forgiveness heavily play into profits, no matter what size the company. He and Douglas Lennick describe these four traits as essential business tools in their best-selling book, *Moral Intelligence: Enhancing Business Performance & Leadership Success* (www.MoralCompass.com).

Kiel and Lennick say that applying "moral principles" to organizational life produces clear results. The first two components involve intellectual applications—that is, they come from the head; the latter two stem from the heart. Here's a look.

The Costco Connection

Moral Intelligence is available at costco.com (signed copies for the first 200 members). Also available at costco.com is a self-assessment test designed by Kiel and Lennick to test your own moral intelligence.



SAM TROUT

Integrity. Integrity translates to acting consistently with one's values and beliefs, telling the truth, standing up for what is right and keeping promises. "When you walk your talk," Kiel says, "it generates a workforce that believes what you'll say."

Responsibility. For business owners, responsibility involves taking ownership of personal choices, admitting mistakes and fail-

"Employees don't stay with you unless they feel that you care for them first as people."

—Fred Kiel

ures, serving others and leaving the world a better place. "People have an innate need to be part of something of great meaning," Kiel says. "If you have a leader who behaves that way, it's inspiring."

Forgiveness. In a business setting, forgiveness is expressed by letting go of one's own mistakes as well as the mistakes of others. When staff and clients witness such exemplary behavior, Kiel says, it fosters innovation among employees who aren't afraid to take risks.

Compassion. Workforce retention is the great benefit of compassion, Kiel says. "Employees don't stay with you unless they feel that you care for them first as people."

So what does all this have to do with making money? For starters, even small businesses can save on training, due to lower employee turnover. They can also take in greater earnings thanks to the efforts of a much more dedicated workforce.

Some companies are catching on to the benefits of moral intelligence. For example, in a recent Starbucks print ad, the company proclaimed, "High ideals don't have to conflict with a bottom line." The ad stated that Starbucks has enjoyed less turnover since it began offering its part-time employees health coverage, developed stronger relationships with coffee farmers by setting goals for sustainable agriculture and increased coffee sales by participating in community programs.

As their next project, Kiel and Lennick are studying what Kiel calls the "unconscious software" shared by great CEOs. Outstanding business leaders create positive work environments that deliver on the bottom line. "It's also well established that these cultures don't just magically happen but are a function of what happens at the top," Kiel says. He and Lennick are investigating whether the worldviews held by these CEOs play a leading role.

If their hunches are correct, their research could influence future generations of business leaders, Kiel says. "We should be challenging young people in business schools about their worldviews and challenge them to get rid of some of their cherished assumptions about the world that are really negative to help them achieve the business results they want."

Award-winning freelance journalist Lisa Alcalay Klug is a veteran contributor to The Costco Connection.

This story originally appeared in the July 1999 Costco Connection.

Stephen Covey turns to stories of courage and inspiration to show his 7 Habits in life.

Good Habits

BY BOB ROSNER

Stephen Covey, author of *Living the 7 Habits: Stories of Courage and Inspiration*

For the five people on the planet who haven't heard of Stephen Covey, a brief biography. *Time* magazine called him one of America's 25 most influential people. His book, *The 7 Habits of Highly Effective People*, has sold more than 12 million copies in 32 languages in 70 countries. *7 Habits* was called the most influential business book of the 20th century by *Chief Executive* magazine. He is the co-chair of Franklin Covey, the industry leader in time-management resources and programs, and also a popular speaker to groups around the world. *Connection* Editor David W. Fuller and writer Bob Rosner recently caught up with Covey for a relaxed and insightful conversation in his Provo, Utah, office.

CC Let's cut right to the chase for the millions of people who have read *The 7 Habits of Highly Effective People*. Which habit do

you think is the most important?

SC Theoretically, I would say always Habit 1 (be proactive) because you have the power to choose your response in any situation. But at the practical level, the one that hits people the most is Habit 5 (seek first to understand, then to be understood). Just to simply start listening will open up the world to you. You'll start feeling reverence for people and it will bring humility into your life.

But if you were to really push me I would say it is Habit 2 (begin with the end in mind). Why? Well, what is your life about? That is the most important decision you'll ever make.

CC There is something I've heard you talk about that probably would surprise many of your readers. That's how you struggle to live up to the 7 habits that you talk about in your book.

SC My kids would ask, "Why don't you prac-

tice what you teach? Listen to me, don't judge me." I have to say they're right. So, it's kind of like your knowledge area is here [drawing a circle on the table with his finger] and your ignorance is the space on the outside of your knowledge. As your knowledge expands, your ignorance also expands. I've also learned that the habits outlined in my book are not mine at all—they are universal.

CC Your book, *Living the 7 Habits: Stories of Courage and Inspiration* (Simon & Shuster, 1999), is a storybook. I'm intrigued because you describe yourself as not being into storytelling. How did you end up writing a storybook?

SC My wife convinced me that I have to tell more stories. Also, I discovered that most people are right-brained, and that stories carry emotional and visual content that is more powerful than all my so-called "theoret-

ical analysis.” It also came from sitting in the public restroom during the breaks in my program listening to what people really think about my speeches!

CC *Were there any stories that really struck a chord with you?*

SC Yes. One was from a prisoner who was writing from his jail cell. The number-one problem in jails is that people don’t take responsibility. They’re always in a blaming mode: I am a victim of society, it’s my parents’ fault, the system is unjust, I’m innocent, and so forth. Well, he goes through this internal struggle and accepts responsibility. Then he begins the process of rebuilding his life. Until a person says, “I am what I am because I really chose to be like this,” the person can’t say, “I choose to be different.”

That is a tough one because emotionally you are really at risk—you are really exposed. Think of all of the rationalization, the years, you’ve put into the other mind frame. But then you realize, “Look at the freedom and the liberty I have.” So, even though he was in jail, he became free.

CC *Many of the stories in the book seem to involve something you call an “inside-out struggle.” Can you tell us more about this?*

SC That is almost the universal element of these stories: an inside-out struggle. Can I do this? Do I really want to do this? Will it succeed? Will it work? How can I do it? It’s a competency issue, it’s a character issue, it’s a scripting issue. And people have to go deep inside and get reflective, which is contrary to the Western mind, to ask the deeper questions.

CC *Any other stories from the book that moved you?*

SC Colin Hall, for me, is the most powerful story in the book. Here is a guy who heads up one of the largest retail organizations in South Africa, with several million dollars in revenue. He’s an attorney, highly competent, skilled, power-hungry, money-grabbing—the whole thing. One day he is playing Monopoly with his son. He doesn’t only beat his son, but he proceeds to really pile it on. His son looks at him and says, “Father, it’s only a game.”

He asks himself: “What has become of me?” Then he goes deep inside himself and he begins to explore every rationalization—which means those lies that you tell yourself, rational

lies—and explores them in depth, tears them apart, and finally concludes apartheid is wrong. I guess that is the main thing I gained from the book: a tremendous reverence for the power inside people.

CC *A lot of entrepreneurs read The Connection. Any specific advice for them?*

SC I find the major issue for entrepreneurs is life balance. They don’t think “interdependently.” Their primary language is independence and making “it” happen. They can be so immersed in the thick of their business that they neglect their teenage son or mess up their marriage. They need to have balance in their lives. They need to be empowered to create a team at work that can compensate for their weaknesses and optimize their strengths. For example, I’m a visionary guy. That’s why I need lots of practical people around me.

CC *You’ve also written a book on time management, First Things First (Simon & Shuster, 1994). What did you learn while writing this book?*

SC I learned to not get hung up on the minutiae. Don’t get schedule-oriented; instead, be principle-oriented. Have schedules, but keep them soft so you have plenty of time for spontaneity, your children, your family, and one-on-one time with the key people in your business. Those are the key elements that have high leverage.

CC *In addition to The 7 Habits of Highly Effective People, Living the 7 Habits, The Nature of Leadership (Franklin Covey, 1998), you are also a very sought-after speaker and consultant. How do you keep on top of all the things you are involved with?*

SC I take a weekly view. Some people like the daily basis better, but I like the context of a week. This allows you to look at each of your roles and how you are going to attend to each one of them. I just did it this morning for this coming week. I thought it through: What is my family role, what is my role as a community servant, what is my role in the church work, what is my role as the co-chairman of this company? Remember: The planning process is invaluable, but plans are worthless.

CC *We’re only a few months away from the millennium. What are your thoughts on the year 2000?*

SC I think that it’s a unique psychological win-

dow for people to both reflect and to think ahead—to visualize and to envision the future. It’s a perfect time to reinvent yourself. And what an opportunity as we move into the new millennium to write a new script for yourself. It shouldn’t be rushed; you have months to prepare. That’s why most New Year’s resolutions never work, because they’re rushed, then they are forgotten within a few days.

You have to get all systems to say “go” inside yourself. It’s also important to think interdependently. Otherwise, it’s like playing tennis with a golf club. You can do it, but imagine what your serve will look like.

CC *You are a person who loves to learn. But what would you say to a person who doesn’t have the opportunity to keep learning at work?*

SC Tremendous question. A lot of people with a work ethic don’t have a learning ethic. And they just reduplicate their one-year experience every year. Make leaving your comfort zone comfortable. Read *Scientific American* if you hate science because it is written for the layman and it will throw your mind out of its comfort zone. If you love science, read a novel because that will drive you crazy.

Discipline yourself. Don’t just read the psyche-up tapes in your car—get the great books. Force yourself to sharpen the saw at least an hour a day. If you don’t schedule it, it won’t happen. I’m not against some renewal, relaxation and a little TV, but you also have to create time to get out of your comfort zone. **C**

Bob Rosner is the author of Working Wounded: Advice That Adds Insight to Injury, a speaker, a nationally syndicated columnist and a Costco Connection columnist. Contact him at www.workingwounded.com or at bob@workingwounded.com.

THE COSTCO CONNECTON

Stephen Covey’s newest book, *Everyday Greatness*, is available now on costco.com.

Franklin Covey Company offers services in leadership, effectiveness, time management and retail. They can be reached at:

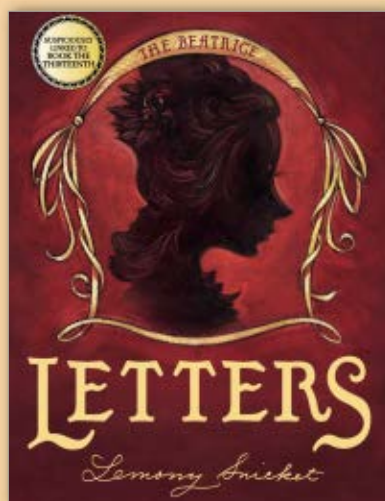
**466 West 4800 North
Provo, Utah 84604-4478**

Phone (801) 975-1776, Fax (801) 496-4252
Web site: www.franklincovey.com

Get caught up with

LEMONY SNICKET

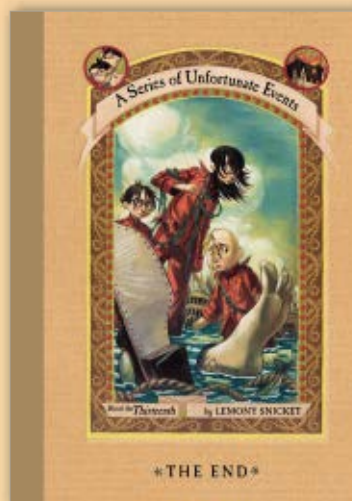
in the most horrid ways!



Available now

Before you read the very last book in *A Series of Unfortunate Events*, be sure to examine **The Beatrice Letters**. Gathered by Mr. Snicket himself, this collection of correspondence is sure to shed light on much of the secrecy that surrounds the stories. Unscramble the messages hidden within the letters between Lemony Snicket and Beatrice and you'll soon know what the future holds!

HARPERCOLLINS / HARDCOVER



On sale Friday, October 13

Farewell. Goodbye. Adieu. Godspeed. Cheerio. Adios. So long and toodle-oo. The pitiable Baudelaire orphans and the most heinous Count Olaf wrap up their popular series with the most unfortunate adventure yet, and the most unlucky—book number 13! When things look bleak and all hope is lost, it clearly must mean that **The End** is near!

HARPERCOLLINS / HARDCOVER



On sale Friday, October 13

Experience the full Snicket in the worst way, with **The Complete Wreck**! Read the entire saga of the Baudelaire orphans from the horrible beginning to the hideous end with this complete 13-volume collectible box set.

HARPERCOLLINS / BOXED SET OF HARDCOVER BOOKS

WAREHOUSE ONLY

ILLUSTRATIONS © BRET HELQUIST

RocketReady incognito (from left to right): the senior manager team of Brent Bennett, Wesley Mallory and Todd Snapp.



Who ya gonna call?

When companies get hacked, they summon RocketReady

By Leah Ingram

TODD SNAPP is proud to admit he's not a techie—this despite his past jobs managing technical people at software companies and his current gig as president of a company that's designed to foil hackers of all kinds. All Costco member Snapp ever wanted to do is “find nontechnical solutions in a technical environment,” says the Tampa-based entrepreneur.

At his old job, he says, “we were doing software development, and our clients asked us to test if their systems were hacker-proof.” So Snapp and his colleagues started using “social engineering” (read: scam) tactics to see if employees would spill the beans on trade secrets or customer passwords. Through e-mail phishing and convincing phone calls, Snapp discovered something disturbing: “We thought we could breach their security maybe 2 to 5 percent of the time,” he recalls. “But 80 percent of the time we were able to convince employees to let us have access to sensitive information.”

Thus, in 2004, RocketReady was born. Its

mission is simple: to help companies figure out where they have holes in their security systems via loose-lipped or well-meaning employees, and then to retrain those employees to plug those holes.

Snapp says the problem lies in organizations training their employees to be service oriented to a fault. One of the most popular ways for a con artist to access a customer's private information is to convince customer support that he needs a password reset. Employees in customer services are happy to help.

When on the job, Snapp's team of 10 employees dons virtual disguises, then makes phone calls and sends e-mails to see how well an employee holds up in a hacking test.

Whenever there's a big news story on the subject, “such as when someone hacked into socialite Paris Hilton's cell phone,” RocketReady's switchboard lights up. Who's on the line? Not the company that was hacked, but rather its competitors, who want to prevent that from happening to them.

Social engineering, which Snapp calls the modern-day phrase for con artistry, occurs

name and birthdates simply aren't enough.

- When another employee calls, don't use caller ID as the only way to recognize the person. “We can doctor caller-ID numbers to match company locations,” says Snapp. Instead, ask questions like “Who's your manager?” or “What building do you work in?” Hackers aren't likely to know those answers.—LI

Member profile

Name: RocketReady

President: Todd Snapp

Employees: 12 to 20

Address: 10730 N. 56th St., Suite 200, Tampa, Florida 33617

Phone: 1-888-395-1996

Web site:
www.rocketready.com

Comments about Costco:

“Costco is our first option when we shop for any supplies or office purchases. Not only do we enjoy shopping there, but they make us feel important, even though we're a small company.”

both online and off. Snapp warns that it's easier to find a person in a weak security moment than most people think. “I was in the airport the other day, and from my chair in the waiting area I could see 21 people using laptops—10 of which I could see the screen,” he says. “If I can see that many laptops, I can see sensitive information.” In addition, sometimes hackers literally walk into a workplace. They gather with smokers outside a company's entrance, then slip inside in the employees' footsteps. “To a degree,” Snapp says, “that's breaking and entering, without the breaking part.”

“I believe that, at any given time, about 90 percent of American companies are under attack,” he says. “E-mail phishing goes on thousands of times a day.” He hopes that employees and others have learned that “you cannot click on a link in an e-mail, log in and give away personal information.”

At the same time he wants companies to know that they need to create an environment where employees feel comfortable reporting any potential breach. “I can't tell you how many times we were on the job and got caught red-handed,” he says. “Then we found out that the employee never reported us.”

That troubles Snapp. Because if employees don't report attempted breaches, companies will never know when they're being targeted—and will never be able to prevent future attacks. ☞

Leah Ingram, based in New Hope, Pennsylvania, writes profiles for many national magazines.

Gone phishing

EVERY BUSINESS is vulnerable to “social engineering” attempts. Todd Snapp says these two tips can help keep your (and your customers') data safe.

- Always design your validation process to be multitiered. Have employees ask a number of questions about the customer before providing access to information. Questions about mother's maiden

The global Costco

An American shopping concept works well around the world

WHEN YOU'RE making your monthly, or weekly, trip to Costco, it probably doesn't occur to you that thousands of miles away members in Asia, the UK, Canada and Mexico are also filling their carts with familiar items such as rotisserie chickens (with the heads left on in Taiwan) and local delicacies such as sea cucumbers.

Over the last two decades, Costco has successfully introduced its business model to six foreign countries on three continents. These introductions have been accompanied by a few hurdles, and even some resistance, but today have evolved into a seamless blending of cultures.

Currently 25 percent of Costco's warehouses—129 locations—operate outside the United States (see sidebars). The expansion began in North America in the 1980s with the opening of warehouses in Burnaby, British Columbia, in 1985; Saint Laurent, Quebec, in 1986; and later in Satelite, Mexico, in 1992. Costco then moved into the UK, with the Thurrock, England, warehouse opening in 1993, followed by Asia in the 1990s: Yangpyung, South Korea, in 1994;

Kaohsiung, Taiwan, in 1997; and Hisayama, Japan, in 1999.

"The good news," says Paul Moulton, executive vice president for real estate at Costco, who helped start Costco UK, "is that everybody everywhere likes to save money, and they appreciate the quality and value of what we have."

Jim Murphy, senior vice president of international operations, says that exporting Costco's philosophy of quality and value requires four elements: the right people, the right location and the right products at the right price.

Bringing in the right people is the first challenge. Jim explains that one way of helping the cultures mesh is to bring over a few employees who are steeped in the Costco corporate culture and then hire locals to make up the buying and operational teams. "We have a fairly unique corporate culture," says Jim. "We believe in a handful of core values, such as obeying the law and respecting our members, employees and suppliers, and we instill those values as we develop our business."

The next step is acquiring real estate. In some countries, such as England, competitors fought to keep the company from breaking



ground. In the Asian countries, issues surrounding real estate have forced the company to grow up—into multistoried buildings—rather than grow out.

Finding the right merchandise means building relationships with suppliers. Paul and Jim admit that relationships need to be nurtured as Costco proves itself by paying its bills on time and honoring commitments.

“When suppliers are unfamiliar with Costco you have to engage them in a dialogue,” explains Paul. “You begin by asking how they work and what would make a partnership easier.” Other ways they found to gain suppliers’ trust include placing a big order, relying on word-of-mouth feedback from their peers and selling their products one item at a time.

One factor in Costco’s favor is its work with global companies, such as Procter & Gamble, Kraft and Duracell. This not only gives Costco clout with new, local vendors, but also gives buyers the opportunity to place products from the U.S. into warehouses around the world.

Depending on the country, 15 to 35 percent of the product mix sold in international warehouses are imported from the U.S., nearly \$1 billion worth of merchandise. At the same time, buyers work to offer members local favorites such as Contrex water (which contains a mild laxative) in Japan, sea cucumbers in Taiwan and ice augers in Canada.

Because Costco doesn’t advertise, bringing the concept of buying a membership to shop to a new country is similar to entering a new market in the U.S. It involves educating employees and members along with putting faith in word-of-mouth advertising.

“It’s a big investment to go into a new country,” says Paul. “We have to ask if going into a new country is more important than going to Wyoming.”

Jim says that before entering a new market the company looks at several variables, including political and economic stability, along with the population and its purchasing power. Any new country under consideration should be able to support 15 to 20 locations within the first 10 years.

“While there aren’t any real secrets to success in international countries, we know we’re dependent on maintaining high standards. We also know the importance of being honest with and respectful of our employees, suppliers, members and their cultures,” says Jim. “Respect plays well in Kansas, and it plays well in Hisayama, Japan.”—Stephanie E. Ponder

Costco in Canada, eh?

With 68 Canadian locations under the company’s belt since Costco first opened in Canada in 1985, the fact that this is a different country with its

“The good news is that everybody ... likes to save money.”

—Paul Moulton

own culture has been apparent for some time.

“I learned right away that if we were going to be successful in Canada, everything we did had to be Canadian in its roots,” says Scott Tyler, Costco’s first warehouse manager in Canada. “We wanted Costco to be perceived as a national company, not an American company.”

Though Canada’s total population of 33 million is just slightly less than the population of California, Canada’s ethnic population, per capita, has twice as many Asians (Toronto has the largest, and Vancouver the second-largest, Chinese population of any city outside Asia) and more than three times as many native peoples as the U.S. There are large populations of Italians, Portuguese and ethnic groups from all around the Caribbean, as well as South Asia, the Indian subcontinent and French-speaking countries.

This ethnic and language mix means merchandise at Costco has quite a different look. “Members will find items they won’t anywhere else,” says Louise Wendling, Costco Canada senior vice president. From *tourtière*, a traditional meat pie, and locally produced blueberry chocolate in the summer and Christmas crackers and ice augers in the winter to poutine (French fries topped with fresh cheese curds and covered with hot gravy) and milk in a bag year-round, the mix of items has a distinct Canadian flair.

Members also won’t see items they might find elsewhere. Beer, wine and liquor are sold at some Costco Canada locations, but not all. Many U.S. over-the-counter health items are prescription only at Costco’s Canadian pharmacies.

Additionally, “all the packaging has to be bilingual,” says Janet Shanks, vice president in charge of fresh foods for Costco. “And all packaging has to



French signs and unusual packaging, such as milk in a bag, are examples of what members find at some Canadian Costco locations.

country profile

Country:
Canada



Number of locations: 68

Top-selling item:
Kirkland Signature™ bath tissue

Top-selling Food Court item:
Hot dog and soda

Country:
Mexico



Number of locations: 29

Top-selling item:
Kirkland Signature bath tissue

Top-selling Food Court item:
Chicken Bakes

Top local vendor:
Bimbo (bread products)

Surprise hits from the U.S.:
Kirkland Signature soy milk

ONLINE BONUS! Revisit Editor David W. Fuller’s 1998 feature story about Costco’s expansion to Asia in the *Online Edition*. Visit costco.com and click on “Costco magazine.”

be metric. Consequently, every product we bring in from outside Canada, including the Kirkland Signature brand, has to be developed separately.”

Signs inside and outside Costco locations in Quebec are in French, and many departments in Quebec have different names entirely, such as Opti-Club (optical) and Resto-Club (Food Court).

Perhaps the biggest difference was encountered in the early days. “The shopping habits reflected more planned, long-term purchases,” says Lorelle Gilpin, Costco Canada assistant vice president of marketing. “There was less impulse shopping.

“But Costco has always strived to present a treasure-hunt atmosphere, and often only has items for a short period of time,” she continues. “So we had to teach shoppers in Canada to ‘buy it now.’”

—T. Foster Jones

Warehouse business heats up

With 29 warehouses and another due to open next month, Costco Mexico originally opened under the Price Club banner in 1992. It is a 50/50 joint venture between Costco and the country’s second-largest retailer, Comercial Mexicana.

Demand for American goods is very high in Mexico, where they are valued for their high quality, but Mexican consumers are looking for a global mix of products, and that’s what Costco provides. Among the many popular brands at Costco’s Mexican warehouses are Sony, LG, Hewlett-Packard, Levi’s and Noritake. About 44 percent of Costco Mexico’s products are imported.

“Mexico is a large country, with extremes in weather as well as wealth. There are many differences in product mix based on the geography and economies of our locations,” says Jaime Gonzalez, senior vice president country manager for Mexico. That said, Costco members in Mexico tend to have a profile very similar to U.S. members. In most cases, they are educated homeowners who have a higher-than-average amount of disposable income.

Costco Mexico has more of a retail base than Costco does in other countries, and Mexican wholesale members are different, too. Business members are more often small businesses that buy to resell, such as the thousands who regularly buy truckloads of food and sundry items.

A stroll through a Mexican warehouse feels very familiar to American members, including the many who shop at Costco’s Cancún and Acapulco

locations while on vacation, but there are differences. In addition to all those Spanish product labels, Costco Mexico carries several exciting fresh food items that aren’t available here: chocoflan, for example, which is similar to the typical Spanish custard dessert but with a bottom layer of chocolate, and a white chocolate pie topped with fresh raspberries.

Their top-selling meat product is seasoned skirt steak that is sliced thin for grilling, and each warehouse bakes fresh *bolillos*, the hard white rolls that are staples in the Mexican diet. On weekends, some of the warehouses make fresh paella. The Interlomas location, in bustling Mexico City, regularly sells nearly 2 tons a month of this delicious Spanish rice dish. Their Food Courts carry the same foods U.S. members love, with Chicken Bakes being their top-selling item. However, lending a decidedly tropical flair is the Piña Colada smoothie.—Donna Patané

Jolly good show

When Costco first announced its intention to enter the UK, the warehouse club caused quite a stir. The announcement had journalists writing about “a discount threat” and “secret plots” to “storm the UK.” All of the media attention and resistance from competitors gave Costco more free publicity than anyone could have hoped for. Even the BBC broadcasted from the Thurrock warehouse’s parking lot on opening day, November 30, 1993.

Despite Costco’s continued success and growth in the UK, the uproar resulted in legislation requiring the majority of the warehouse’s business to come from trade (business) members. Trade members must meet strict membership criteria. (The list of qualifications, along with additional information about Costco UK, can be found at www.costco.co.uk.)

“With so many similarities between the U.S. and UK warehouses, the focus on trade membership is the biggest difference between the countries,” says Steve Pappas, vice president UK country manager.

More than 70 percent of Costco’s business comes from trade members, and the bulk of that business is from CTNs (confectionary, tobacconists and newsagents). To reflect those purchasing needs, UK warehouses offer many items—from candy and wine to cooking oil and washing detergent—in multi-packs designed for reselling.

Additionally, each warehouse has a trade coordinator who works with local businesses to explore how to best serve local businesses by offering ser-

A jacket potato, the UK’s bestselling Food Court item, is a baked potato covered with any combination of the following toppings: chili, coleslaw, tuna, cheese and beans.



vices such as truckload deliveries.

Warehouses vary in other ways as well. The UK offers no hearing centers, pharmacies or print and copy centers. Other differences between the countries are reflected in local products, including haggis, Yorkshire and black puddings, Guinness beer and Magners cider. Sometimes these local items reflect regional tastes and other times they're a necessity. For example, the UK cannot import beef, so warehouses sell specially selected Scottish beef and certified Aberdeen Angus.

One last, but often overlooked, difference is the languages. Tires are "tyres," diapers are "nappies" and shopping carts are "trolleys."

As trading director Steve Barnett says, "So many of the products are the same, but are spelled differently or called by different names."—SEP

West meets East

Shopping in one of the five warehouses in South Korea could bring you face to face with a fresh flounder. Korea is the only country in Costco's operations to have tanks of live fish. Members can watch the fish being cleaned and filleted behind the extensive seafood case and can then buy the fresh sashimi.

While fish and seafood are popular items, South Korea holds the record for the highest-volume meat department in all of Costco. Most popular is the imported Australian beef—the basis of two of Korea's national dishes: *kalbi* (barbecued ribs) and *bulgogi* (thin beef slices usually barbecued at the table).

The first Costco warehouse in South Korea opened in 1994 in Yangpyung, a suburb of Seoul, as a licensed arrangement between Price Club and Shinsagae department stores. This and two subsequent buildings in Daegu and Daejeon, both south of Seoul, were operated under Shinsagae manage-

ment until 1998, when Costco bought out the bulk of Shinsagae's interest. Costco then added two more warehouses in the Seoul area.

Walking in the front door, U.S. members would quickly know they are in a Costco as the first thing they see after showing their membership card is a lineup of big-screen TV sets. Costco Korea doesn't yet offer ancillary services such as pharmacy and optical departments, but the Photo Centers and Food Courts are prominent and busy. The product mix is about 65 percent local products and 35 percent imports.

Checks aren't common in South Korea, so members pay with cash or a Costco/Samsung credit card.

Korean members are highly educated, price conscious and well informed, notes Preston Draper, South Korea vice president country manager. Many have traveled or lived abroad and appreciate the fact that they can find specialty imported items at Costco that aren't available at locally owned competitors.

Fresh foods are important to South Korean members, who appreciate the quality and freshness, Preston says. As a result, they shop frequently. Prepared foods and staples are also popular: The warehouse features eight varieties of rice.

With more than 10 million people in the city of Seoul and 47 million in the rest of the country, there is plenty of room for expansion in South Korea.—Anita Thompson

Success made in Taiwan

The Costco concept has fit in quite well in the island nation of Taiwan, where four warehouses are in operation and a fifth is on its way under the direction of vice pres-

Popular in Mexico are large coffee roasters (right), while scooters are a common sight in Taiwan.



SUSAN DETLOR

Limited land in Asia means warehouses have to expand upward (above), resulting in multistory buildings and escalators to get from floor to floor. Quality meats (left) are as popular with members in Korea as they are in the U.S.



JOHN DETLOR



STEVE LYNCH

country profile

Country:
United Kingdom



Number of locations: 18

Top-selling item:
Toilet tissue

Top-selling Food Court item:
Jacket potatoes

Surprise hits from the U.S.:
Yoshida's sauces, Oberto beef jerky, Kirkland Signature nuts, jelly beans and coffee

Country:
South Korea



Number of locations: 5

Top-selling item:
Australian beef chuck roast

Top-selling Food Court item:
Combination pizza

Surprise hits from the U.S.:
California navel oranges and Titleist golf balls (24-pack)

ident country manager Richard Chang. Sure, there are things you won't see at most other Costcos—the multistoried warehouses common in Asia, local delicacies such as sea cucumbers and parking for scooters. But, overall, it's clear that the Taiwanese love quality and low prices.

In particular, they love Western goods. The mix of products in Costco's four warehouses in Taiwan is a strong dose of imports, complemented by local goods—usually fresh foods, especially fish, says Beverley Ayre, general merchandising manager for Costco in Taiwan.

“Our Taiwanese members have a feeling that a product is of a higher quality if it is an import,” says Beverley, adding that name brands carry a certain prestige.

Top sellers include Kirkland Signature cranberry juice, olive oil and laundry detergent, and name-brand clothing. Aside from bilingual labels, many products are the same as those carried in U.S. warehouses. But some, such as Kirkland Signature vitamins, must be reformulated to meet Taiwanese regulations.

Also popular among Taiwanese Costco members are instant foods, such as soup and coffee packets. “The Taiwanese tend to not eat at home or cook at home a lot,” explains Beverley. “Their houses are much smaller. They tend to live with a family, so you'll find in one household grandparents, parents, children and grandchildren. They tend to go out and eat more as a social gathering.”

One more interesting note is about how members in Taiwan shop. Many shop as a family, and spend time at Costco going up and down every aisle, inspecting all the products and sampling all the demo-table food. If you go with them, expect to spend three to four hours at the warehouse.

—Tim Talevich

Cultural convergence

Costco's Japanese operation is a study in adaptability. The same operational DNA that's behind company growth everywhere is the backbone of Costco's Japanese operation. But the company has morphed the expression of its values in several key ways to mesh with the communities it has entered in Japan.

“The way we have adapted our warehouse facilities is an outward example of how we bend to fit into the communities we serve on other levels,” explains Mike Sinegal, vice president country manager of Costco Wholesale Japan. “For instance, our Hisayama building, which was the first Costco warehouse to open in Japan [in 1999], is a typical U.S.-style building with a single sales floor and surface parking. We built this style of building because it is located in a relatively rural area, with wide open space.”

However, when Costco expanded into

Tamasakai, Amagasaki and Kanazawa, Mike says, less space was available. As a result, those buildings feature a single sales floor with parking above on two levels. The site at which the Makuhari warehouse was built had only about 170,000 square feet. In order to get the necessary sales floor and parking into such a relatively small plot of land, Mike says, they had to build up. “That's why it has two levels of sales floor and four parking levels above.”

The Japanese warehouses also carry a different mix of products, 60 percent of which are supplied by local vendors. In typical Costco fashion, Japanese warehouses carry about 4,000 different items in the same overall categories of merchandise as every Costco—everything from computers, to rice to fresh fish to coffee to copy paper to sporting goods to Rolex watches to apparel. But the items within each category cater to local tastes.

For example, Japanese warehouses in general offer a wider selection of fresh fish, rice, green tea and other traditional Japanese food staples.

“We braced ourselves for several cultural challenges before we began operation in Japan,” Mike says. “However, many of them turned out to be erroneous stereotypes. For example, many experts in Japan claimed that Japanese customers would not purchase large pack sizes, and even that Japanese consumers would not buy low-cost, high-quality items because these customers perceived low price to indicate low quality. Yet, in our experience, Japanese consumers have been very receptive to large pack sizes and, of course, very receptive to low-priced, high-quality merchandise.”—Will Fifield

“Our Taiwanese members have a feeling that a product is of a higher quality if it is an import.”

—Beverley Ayre

country profile

Country:
Taiwan



Number of locations: 4

Top-selling item:
Kirkland Signature Powder Laundry Detergent

Top-selling Food Court item:
Bulgogi Bake

Surprise hits from the U.S.:
Kirkland Signature Cranberry Juice

Country:
Japan



Number of locations: 5

Top-selling item and surprise hit from the US:
Downy fabric softener


Top-selling Food Court item:
Hot dog and Coke

Connecting

For a list of all Costco warehouses—including addresses and maps—visit costco.com and click on “Locations.”



Fresh seafood, including sushi (above), is a common item in Costco's Asian warehouses.



494
and growing
opening soon:
W Nashville, Tennessee

You can use your **Costco**
Membership Card at these
locations and at **costco.com**.

U.S.A. 365

Alabama

Hoover
Huntsville
Alaska
Anchorage
N Anchorage
Juneau

Arizona

Avondale
Cave Creek
Chandler
Gilbert
SE Gilbert
Glendale
Phoenix
Phoenix (Bus. Ctr.)
N Phoenix
Prescott
Scottsdale
Superstition
Springs
Tempe
Tempe
(Costco Home)
Thomas Road
Tucson
NW Tucson
California
Alhambra
Almaden
Antioch
Azusa
Bakersfield
SW Bakersfield
Burbank
Cal Expo
Canoga Park
Carlsbad
Carmel Mountain
Chico
Chino Hills
Chula Vista
Citrus Heights
City of Industry
Clovis
Coachella Valley
Concord
Corona
Culver City

Cypress
Danville
El Camino Real
El Centro
Eureka
Fairfield
Folsom
Foster City
Fountain Valley
Fremont
Fresno
N Fresno
Fullerton
Garden Grove
Gilroy
Goleta
Hawthorne
Hayward
(Bus. Ctr.)
Inglewood
Irvine
Laguna Niguel
Laguna Niguel
Marketplace
La Habra
Lake Elsinore
La Mesa
Lancaster
Livermore
Los Feliz
Merced
Mission Valley
Modesto
Montclair
Montebello
Moreno Valley
Mountain View
Northridge
Norwalk
Novato
Oxnard
Poway
Rancho Cordova
Rancho
Cucamonga
Rancho del Rey
Redding
Redwood City
Richmond
Rohnert Park
Roseville

S Sacramento
Salinas
San Bernardino
Sand City
San Diego (Bus. Ctr.)
San Diego—
Morena Blvd.
San Jose
San Francisco
S San Francisco
San Jose
San Juan
Capistrano
San Leandro
San Luis Obispo
San Marcos
Santa Clara
Santa Clarita
Santa Cruz
Santa Maria
Santa Rosa
Santee
Signal Hill
Simi Valley
Stockton
Sunnyvale
Temecula
Torrance
Tracy
Turlock
Tustin
Vacaville
Vallejo
Van Nuys
Victorville
Visalia
Vista
Westlake Village
Yorba Linda
Colorado
Arvada
Aurora
SW Denver
Douglas County
Gypsum (10/20)
Superior
Westminster
Connecticut
Brookfield
Enfield
Milford
Norwalk
Waterbury
Delaware
Christiana
Altamonte Springs
Boca Raton
Brandon
Clearwater
Davie
Fort Myers
E Jacksonville
Kendall
Lantana
Miami
Miami Lakes
Naples
N Miami Beach
S Orlando
Palm Beach
Gardens
Pembroke Pines
Pompano Beach
Winter Park
Georgia
Alpharetta
Gwinnett
Mall of Georgia
Morrow

Perimeter
Town Center
Hawaii
Hawaii Kai
Honolulu
Kailua-Kona
Kauai (10/17)
Maui
Waipio
Idaho
Boise
Coeur d'Alene
Nampa
Twin Falls
Illinois
Bedford Park
Bloomington
Chicago
Glenview
Lake in the Hills
Lake Zurich
Mount Prospect
Naperville
Niles
Oak Brook
Schaumburg
Indiana
Castleton
NW Indianapolis
Merrillville
Iowa
W Des Moines
Kansas
Lenexa
Overland Park
Kentucky
Louisville (10/25)
Maryland
Arundel Mills
Beltsville
Frederick
Gaithersburg
Glen Burnie
White Marsh
Massachusetts
Avon
Danvers
Dedham
Everett
W Springfield
Waltham
Michigan
Auburn Hills
Bloomfield
Commerce
Township
Grand Rapids
Green Oak
Township in
Brighton
Lakeside
Livonia-Haggerty
Livonia-Middlebelt
Madison Heights
Roseville
Wyoming
Minnesota
Coon Rapids
Eden Prairie
Maple Grove (10/26)
St. Louis Park
Missouri
Independence
Kansas City
S St. Louis
St. Peters
Montana
Billings
Bozeman

Kalispell
Missoula
Nevada
Carson City
Centennial
Henderson
Las Vegas
Reno
Sparks
Summerlin
New Hampshire
Nashua
New Jersey
Brick Township
Bridgewater
Clifton
E Hanover
Edison
Hackensack
Hazlet
Mount Laurel
Ocean Township
Union
Wayne
Wharton
New Mexico
Albuquerque
Albuquerque II
New York
Brooklyn
Commack
Holbrook
Lawrence
Melville
Nanuet
Nesconset
New Rochelle
Port Chester
Queens
Staten Island
Westbury
Yonkers
North Carolina
Charlotte
Durham
Greensboro
Matthews
Raleigh (10/5)
Wilmington
Winston-Salem
Ohio
Avon
Deerfield Township
Mayfield Heights
Springdale
Oregon
Albany
Aloha
Bend
Clackamas
Eugene
Hillsboro
Medford
Portland
Salem
Tigard
Warrenton
Wilsonville
Pennsylvania
Cranberry
Harrisburg
King of Prussia
Lancaster
Montgomeryville
Robinson
Puerto Rico
Bayamón
E Bayamón

Caguas
Carolina
South Carolina
Charleston
Myrtle Beach
Tennessee
Brentwood
NE Memphis
SE Memphis
Texas
Arlington
Austin
S Austin
Duncanville
El Paso
Fort Worth
Katy Freeway
at Bunker Hill
Lewisville
E Plano
W Plano
NW San Antonio
Sonterra Park
Southlake
Willowbrook
Utah
Lehi
Murray
S Ogden
Orem
St. George
Salt Lake City
Sandy
W Bountiful
Vermont
Colchester
Virginia
Chantilly
Chesterfield
Fairfax
Fredericksburg
Harrisonburg
Leesburg
Manassas
Newington
Newport News
Norfolk
Pentagon City
Sterling
W Henrico
Winchester
Washington
Aurora Village
Bellingham
Burlington
Clarkston
E Wenatchee
Everett
Federal Way
Fife (Bus. Ctr.)
Issaquah
Kennewick
Kirkland
Kirkland
(Costco Home)
Lacey
Lynnwood
(Bus. Ctr.)
Marysville
Puyallup
Seattle
Sequim
Silverdale
Spokane
N Spokane
Tacoma
Tukwila
Tumwater
Union Gap

Vancouver
Woodinville
CANADA 68
Alberta
Calgary N
Calgary NW
Calgary S
Edmonton NE
Edmonton NW
Edmonton S
Grande Prairie
Lethbridge
Red Deer
Sherwood Park
British Columbia
Abbotsford
Burnaby
Kamloops
Kelowna
Langford
Langley
Nanaimo
Port Coquitlam
Prince George
Richmond
Surrey
Vancouver
Manitoba
Winnipeg
Winnipeg E
New Brunswick
Moncton
Newfoundland
St. John's
Nova Scotia
Halifax
Ontario
Ajax
Ancaster
Barrie
Brampton
Burlington
Etobicoke
Gloucester
Kanata
Kingston
Kitchener
London
London N
Markham
Mississauga N
Mississauga S
Nepean
Newmarket
North York
St. Catharines
Scarborough
Sudbury
Vaughan
Windsor
Quebec
Anjou
Boucherville
Brossard
Chicoutimi
Gatineau
Laval
Marché Central
Montreal
Pointe-Claire
Quebec City
Sainte-Foy
Saint-Hubert
Saint-Jérôme
Sherbrooke
Terrebonne
Trois-Rivières

Saskatchewan
Regina
Saskatoon
UNITED KINGDOM 18
England
Birmingham
Bristol
Chingford
Derby
Gateshead
Haydock
Leeds
Liverpool
Manchester
Milton Keynes
Oldham
Reading
Sheffield
W Thurrock
Watford
Scotland
Aberdeen
Edinburgh
Glasgow
MEXICO 29
Acapulco
Aguascalientes
Arboléas
Cabo San Lucas
Cancún
Celaya
Coapa
Cuernavaca
Ensenada
Guadalajara
Hermosillo
Interlomas
Juarez
León
Mérida
Mexicali
Mixcoac
Monterrey
Monterrey II
Morelia
Polanco
Puebla
Querétaro
San Luis Potosí
Satélite
Tijuana
Tijuana II
Veracruz
Xalapa

Costco warehouse hours

Regular Hours

Monday–Friday 11am–8:30pm
Saturday 9:30am–6pm
Sunday 10am–6pm

Exclusive Business Members' Hour

Monday–Friday 10am–11am

costco.com

open 24 hours a day,
7 days a week

For more info
For maps and directions,
go to costco.com and
click on "Locations."

(Opening dates subject to change)

This story originally appeared in the December 1998 Costco Connection.

Banging the Drum

The Costco concept takes root in the Far East

BY DAVID W. FULLER

Pomp and circumstance is not exactly one of Costco's fortes.

In fact, "basic is beautiful" could be the company's motto.

Sure, Costco is known for throwing a great party every time it opens a warehouse. But there are no bands, no big speeches from the executives, no banging of the drum, so to speak.

Not until that first opening in Asia, October 7, 1994.

Asian religion and tradition decree that all construction sites must be rid of evil spirits and blessed for future good luck before construction can begin. And what better way to scare away evil spirits than by banging a lot of drums and setting off a whole lot of firecrackers?

So, while warehouse openings in other parts of the world still feature a quick and quiet ribbon cutting, Costco bows to tradition in Asia, where company executives join local Buddhist or Shinto priests for a blessing before each opening. With the blessing comes plenty of pomp and circumstance.

First, dozens of 6-foot-high arrangements of flowers, each bearing good-luck wishes, are placed on tripods around the entire perimeter of the area being blessed. A table of food offerings is carefully arranged before the audience as incense wafts through the air. Drums are pounded. Long strings of firecrackers crackle for what seems like several minutes. As the smoke settles, a priest pronounces blessings over the offerings. Then company officials and other dignitaries are motioned forward to bow to the gods who are being beseeched to bless the site. More drum beating, more firecrackers and then a big round of applause from the audience. Pomp, with circumstance.

Ceremonies differ only slightly from country to country, based on local Buddhist practices. In Japan, they are combined with the customs of Shinto, Japan's indigenous religion.

Traditional Dragon dance ceremony welcomes Washington State Governor Gary Locke to Costco's Kaohsiung, Taiwan warehouse.



DAVID W. FULLER

A Governor with a Mission

Gov. Locke visits Costco in Taiwan

Costco's management team in Asia reports that the blessings seem to be doing the job, keeping most of the evil spirits away. In fact, despite the clearly catastrophic Asian economic crisis, Costco's Asian operation is reporting increased sales over last year. The company plans to add more locations to the three it has in Korea and the two in Taiwan and is actively looking for sites in other Asian countries. In fact, construction has already begun on Costco's first Japanese location.

What is the explanation? How can Costco prosper on a continent where there seem to be so many economic troubles? According to Franz Lazarus, executive vice president and chief operating officer for Costco's International Department, there is more than a little irony in the answer. "Even though there are so many things you can point to that make operating in Asia different than in the U.S., I think we are doing so well here for the same reason we grew so fast in the early days in the U.S.—our basic concept is just so different from everyone else's and the values are so great that people tell all their friends and we keep growing."

Novelty will last only so long and, as with all of its operations around the world, Costco in Asia is focused on staying ahead of all competitors in terms of the quality and value of the products it sells.

Although Costco was the first company to open a warehouse club location in Asia (that October 7, 1994, opening in Seoul), the concept has been rapidly spreading. "We're every

When Gov. Gary Locke of Washington state travels on official business, he is known for favoring rental cars over limousines.

Like the region he represents, Locke prefers the casual to the formal.

But as the first Chinese-American governor in American history, making his first official visit to Taiwan and Japan this past July, Locke on more than a few occasions found himself in limousine motorcades with sirens blaring through the crowded streets of places like Taipei and Kobe.

After all, the governor's robust itinerary included meetings with Prime Minister Vincent Siew of Taiwan, sit-down dinners with provincial governors, and sessions with key business leaders, such as F. C. Tseng, president of Taiwan Semiconductor Manufacturing. With more than 40 leaders of his state's business, educational, medical and cultural communities accompanying him, the governor's trip certainly deserved its formal title: Governor Gary Locke's International Mission to Taiwan and Japan.

Locke focused on numerous specific subjects during the whirlwind 10-day tour, especially the vexing problem of counterfeit Washington state apples that has become prevalent throughout Asia. Locke repeatedly thanked government leaders for progress they had made in combating the counterfeiting, but urged them to remain vigilant.

In Kaohsiung, he led a seminar about investing in Washington state. Noting that economic woes in Asia could make investment there risky, he suggested that Washington offers stability for Asian investors.

During other speeches, he acted as his state's chief salesman, urging listeners to try Washington's apples, cherries, wheat, onions, seafood, sweet corn and processed foods.

But of all the stops he made, his visit to Costco's Kaohsiung warehouse was one of the most colorful. The entourage was greeted on the front steps of the warehouse by a troupe of dragon dancers, who performed traditional welcoming



PHOTOS BY DAVID W. FULLER



Clockwise from top:
At the Kaohsiung Costco, Gov. Locke places goodwill wishes in the mouth of a dragon; purchases Washington state cherries at the warehouse check-out line; and prepares a Costco hot dog offered by Warehouse Manager Smiley Lee.

dances and then besought the governor for his goodwill wishes, which had to be placed in the mouth of one of the dragon heads.

After taking care to display his Costco card, Locke spent nearly an hour walking through the warehouse, calling attention to each Washington state product he found.

"Costco represents the kind of honest, hardworking companies we have in Washington and is a good representative for us in Taiwan," he told employees and the press later.

Hours later, he was on the plane headed home.

—David W. Fuller

Kaohsiung, Taiwan



GREG GIRARD/THE STOCK MARKET

At left, downtown Kaohsiung. Below, the five-level warehouse with two levels of shopping and three levels of parking; the one underground doubles as a bomb shelter. At right, a typical weekend shopping day at the Seoul warehouse.



The Kaohsiung warehouse



Seoul, Korea

bit as aggressive as they are in the United States in terms of doing our comparative shopping surveys of competitors and taking advantage of every opportunity we can to give the member a better value," comments Richard Chavez, Costco's senior vice president and managing director in Asia.

Chavez is a veteran of both the merchandising and operational sides of the business, having been with Costco since 1984, taking assignments throughout the U.S. Today he is based in Tokyo.

"What makes this so exciting is that this is like the early days of Costco," Chavez says. "No one knew who we were, and we had to be thinking on our feet every minute. Each person here has to wear more hats, get more involved in all aspects of the business."

A good case in point is Don Burdick, assigned last May to be the country manager for Korea. Burdick has been handed a very big task converting the company's Korean operations from a Korean management approach to the Costco approach. The change results from the recent creation of a joint venture between Costco and the Shinsegae department store chain, which previously had been operating the Korean warehouses under a licensing agreement. Under the new joint venture, Costco has management control.

So, what are the differences Burdick must contend with? "Mostly, it's a cultural challenge," Burdick notes. "We just have to find those places where Korean values intersect with the Costco concepts of value. It sounds simple, but it isn't always that simple."

To understand more fully, *The Connection* spoke with several of Burdick's key managers in the Seoul headquarters office.

Hyun Soo Pae, general merchandising manager for non-foods, notes that in Korea, only 30 percent of women work outside the home. "There are many more housewives here

who like to spend their time shopping, taking great care what they buy for their families," Mr. Pae says. The story of the potatoes is one he likes to recount, and it says much about what happens when two cultures come into contact.

When Don Burdick took over the reins from the Shinsegae managers, one of the first things he noticed that could improve efficiency in the warehouse was the bin where potatoes were being sold. Women would crowd around, examining each potato, much as in a fresh-produce market. Burdick immediately ordered that the potatoes should be sold in bags, as Costco sells them in the U.S. "Potato sales went down," Mr. Pae says. "The women

want to be able to sort through the potatoes and see each one they buy."

Burdick, acknowledging that sales had gone down, eventually relented—and the women are now back sorting through the potatoes. Although Burdick had agonized over changing his mind, lest he lose face as the new manager, Mr. Pae says the Koreans were impressed that Costco would take local customs into account.

Mr. Pae, who was part of a 13-employee team that studied warehouse operations in the U.S. before the Seoul warehouse opened, says, "The Korean people are even more interested in brand-name items than Americans." Nevertheless, Costco's Kirkland Signature products have been very popular. Unfortunately, along with other U.S. products, their sales rate has diminished since the Korean currency underwent a major devaluation last summer, making foreign imports much more expensive for Koreans.

Another member of the Korean task force which traveled to the U.S. to train at Costco's headquarters is Noh Jae Ak, known to his coworkers as Dr. Noh.

Like Mr. Pae, Dr. Noh believes Costco has a great opportunity as it takes over management control from Shinsegae to demonstrate that it can be sensitive to Korean lifestyles and customs. He is confident that Costco will become a permanent fixture in Korea. He says he bases his confidence on an awareness of Costco's basic principles, learned during that training session in the U.S. "We were learning everything we could about American merchandising, but especially about Costco's way of doing things," he says. The atmosphere was almost collegial: "Often we would be meeting until 10 p.m. because we all wanted to learn so much."

"Korea has always been able to do things the Korean way," Dr. Noh says, "but the world



MILYNARCZYK

Costco has started its Asian operations with four locations, with two more under construction.

Popular Asian Products

is changing and Korea is now changing. For instance, everyone in the younger generation wants to buy a car—that is new here; and they know they will not be able to buy a house, it is too expensive. So they maybe have more to spend on other things.”

One aspect of Korean business life that has not fully changed, Dr. Noh says, is the large black-market and intricate system of middlemen that many shop owners still rely on for much of what they buy. Because no taxes are paid on black market purchases, it is difficult for Costco to compete. Although the government has made some strides in combatting these illegal operations, the problem is far from being solved, he says.

Costco’s response comes from its basic principles, according to Dr. Noh: “We point out that we supply reliable quality in a safe environment.”

Although Min Sook says she enjoys her current position as buyer for basics and domestics, chances are she won’t be in that role for long. For Min Sook is ambitious, something Korean women have not been able to openly admit for very long. She acknowledges that one reason she left Shinsegae for a job at Costco

Unique Asian products include:

Frogs Taiwan seasonal item. Packaged belly up to show that they’re gutted. 12-pack

Chickens Rotisserie chickens sold with head on in Taiwan to indicate freshness.

Durian Fruit “Pungent” is the best way to describe the taste of this spine-covered delight.

Fish are sold with heads on—alive!



At left: Members may buy a string of salted fish in Korea. Above: Richard Chang, Costco’s country manager in Taiwan, examines a piece of Durian fruit.

was that she felt she would have a better chance at advancement. “I would like to work in many different buying departments and then someday become a warehouse manager,” she says. “I know that will be a long time, but I am young and willing to work hard.” Indeed, according to Don Burdick, Ms. Sook has won the respect of everyone she works with, and such ambitions could be realized some day.

Ms. Sook, who has worked at the Seoul location since before it opened, says at first members “were frustrated ... they were expecting a department store and said, ‘Is this all?’ Then they saw the prices and were very surprised and pleased.” Much as in other parts of the world where Costco operates, word of mouth eventually spread and now she sees members accepting “the Costco way.”

Of course, not all of the challenges in Asia involve East/West cultural differences. For example, the high cost of real estate in urban areas has caused Costco to rethink the very concept of the design of its warehouses, perhaps one of the most basic of the company’s basics. The result? The Seoul location became the first multi-story location opened by the company. It features two rooftop floors of parking with two floors of shopping area, plus a floor for administrative offices. An escalator especially built to accommodate carts links the floors. Today, there are other multi-story Costcos in such places as Taiwan, Mexico City, Brooklyn and San Francisco.

Still other kinds of challenges face Costco’s management team in Asia. Although the excitement of an exotic for-

eign assignment might seem appealing to some people, the search for people willing to make such a commitment is not always easy.

Mike Sinegal, country manager for Japan, recently completed putting together his team, who will open the Costco warehouse in Fukuoka, on the northwestern coast of Kyushu, about 600 miles from Tokyo. “People worry about living in a culture that is so different,” he notes. “Eventually, you have to find the people who are most flexible and who are ready to forge into new territory, not just do things by the book.”

Fortunately, Sinegal and the other country managers in Asia are able to draw on a pool of more than 60,000 Costco employees around the world, and they always end up finding the right teams for the job.

“Yes, there are concerns and even some sacrifices to take an overseas assignment like this, but the rewards are there and they have to do with more than just the money,” Burdick says. “The chance to really create something new and to have an effect on how the business operates is one of the things that keeps me going.”

For now, the decision seems to be to focus on the largest countries and strongest economies of Asia. Countries such as Malaysia or Indonesia are apt to be further down the road. But, as in its many other arenas, Costco will not be closing the door on any opportunities it finds on the world’s largest continent. **■**

Dr. Noh



Min Sook



Mr. Pae

Key employees for Costco in Korea are Dr. Noh, top, Min Sook and Hyun Soo Pae.

THE HUNTER DOUGLAS HOLIDAY SALES EVENT

CELEBRATE THE SEASON AND CELEBRATE THE SAVINGS WITH *Silhouette® Window Shadings*



BUY NOW AND SAVE!

Offer valid on purchases made between
October 1 and December 15, 2006.

Ask about the Hunter Douglas mail-in rebate.
Limitations and restrictions apply.

SAVE \$100

Per unit/2-unit maximum on
Luminette® Privacy Sheers

SAVE \$50

Per unit/3-unit maximum on
Silhouette® Window Shadings

SAVE \$25

Per unit/3-unit maximum on
Custom Shutter Collection*
Vignette® Modern Roman Shades
Alouette® LightLouvers

HunterDouglas

LIGHT CAN CHANGE EVERYTHING™

IT'S NOT TOO LATE TO DECORATE FOR THE HOLIDAYS.

New window treatments can transform a home for holiday entertaining. Have our professional designer come to your home and show you the complete line of Hunter Douglas window fashions. We handle everything from ordering to installation.



*"Having the designer take care of everything
gave me precious time for my holiday planning."*

Call **1-888-992-2773** today to schedule
your complimentary in-home appointment.

COSTCO
WHOLESALE

*Shutter offer: For the purpose of this promotion, a unit is defined as a continuous opening installed on a window or door. One opening may have multiple panels. Three-unit maximum per consumer household applies to any combination of shutters—Heritage®, NewStyle®, Palm Beach™—purchased. Window fashions/installation not available at all locations. Limit one rebate per household. Not valid with any other offers. All services provided by Custom Decorators Inc. © 2006 Hunter Douglas Inc. ® and TM are trademarks of Hunter Douglas Inc.

How to pick the perfect perfume

Fragrance notes



LORY WILLIAMS

By Jan Moran

LEGENDARY STYLE MAKER and couturière Coco Chanel once said, "Perfume is the unseen but unforgettable and ultimate fashion accessory." Her greatest perfume, Chanel No. 5, was created in 1921. Decades later, it remains among the world's bestselling fragrances.

In recent years new fragrances endorsed by fashion designers, supermodels and now celebrities have increased the available scents. "Today there are more than 1,100 fragrances in the U.S. market," says Mary Ellen Lapsansky, executive director of the Fragrance Foundation in New York City.

Choices are plentiful because fragrance is one of the most cherished gifts, touching deep emotional chords. Whether that special spritz is for a loved one or for yourself, making your way through the fragrance forest can be a daunting journey. But it doesn't have to be.

Fragrances, like wines, are divided into groupings based on attributes. It's easy to use this knowledge to help guide your selections.

Fragrance family. Michael Edwards, author of the annual *Fragrances of the World* books, classifies scents into 13 families, ranging from floral to citrus to Oriental (spicy). Simply follow your nose to discover which fragrance family appeals to you.

Lifestyle. Today, fragrance is a fashion and lifestyle choice. Annette Green, president emerita of the Fragrance Foundation, coined the term "fragrance wardrobe." She advises having at least four scents to fit a variety of lifestyle occasions.

Sheer, fresh fragrances are ideal for casual and summer wear. In cool weather, robust fragrances will last longer. For professional settings, choose discreet scents to let your business savvy shine through. Indulge your romantic side with the richest, most elegant essences for intimate evenings and glamorous galas.

Formula. Fragrances are composed of intricate blends of essential oils. Eau de cologne and

The Costco Connection

Costco is offering a range of the best scents for your dollars from the ranks of the hot and new and the tried and true. Selection will vary by warehouse location.

eau de toilette incorporate smaller amounts of these pure fragrance compounds and are meant to be used lavishly and refreshed often. Eau de parfum and parfum are more concentrated.

It doesn't matter whether you're partial to Chanel No. 5 or Live Jennifer Lopez. As Michael Edwards says, "A great perfume is a work of art. It can lift our days, haunt our nights and create the milestones of our memories." ☐

Jan Moran, a Costco Executive member, is a fragrance expert and the author of Fabulous Fragrances II (Crescent House Publishing LLC, 2000). Her Web site, www.fabulousfragrances.com, offers a database for retailers and consumers.

Choosing the right fragrance

This guide will help you create your fragrance wardrobe and streamline your holiday gift shopping.

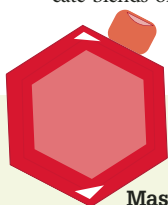
Romantic. Dreamy, nostalgic, passionate. Think bountiful floral bouquets for women and warm wooded scents for men.

Feminine—Baby Phat Goddess, Estée Lauder's Beautiful, Jessica McClintock's Silk Ribbons, Elizabeth Taylor's White Diamonds

Masculine—Baldessarini, Ralph Lauren's Romance Men Silver

Glamorous. Elegant and sophisticated. For cocktail evenings and grand galas, these festive fragrances are unforgettable. Consider rich floral bouquets or spice-laden Oriental ensembles for women and elegant wooded themes for men.

Feminine—Burberry Brit Red, Chanel's Allure, Chanel No. 5, Estée



Lauder's Knowing, Estée Lauder's Tom Ford Amber Nude, Guerlain's Shalimar

Masculine—Givenchy Pour Homme, Calvin Klein's Obsession, Givenchy's Pi

Career. Clean, crisp, confident. Understated scents make good business sense. Cool aquatic themes and airy fragrances are appropriate for professionals.

Feminine—Chanel No. 19, Prescriptives' Calyx

Masculine—Azzaro's Chrome, Giorgio Armani's Acqua di Giò Pour Homme, Salvatore Ferragamo's Subtil

Casual. Easy to wear. Think blue jeans, T-shirts and sweaters. Fresh fruits and soft florals for women; sheer wooded or aromatic scents for men.

Feminine—Estée Lauder's Pleasures, Live Jennifer Lopez, Lacoste's Touch of

Pink, Lancôme's Miracle So Magic!

Masculine—Estée Lauder's Pleasures For Men, Lacoste's Style in Play, Hummer2

Sporty. Liquid energy. Citrus invigorates the senses and boosts the energy level. Zesty citrus and herbs have universal appeal.

Feminine—Calvin Klein's cK One

Masculine—Ralph Lauren's Polo Sport

Cruise or summer. Fanciful and fun. Think sandals, sunglasses and sandy beaches. Sunny fruits and bleached woods enliven this casual category.

Feminine—Britney Spears' In Control Curious, Escada's Rockin' Rio, Estée Lauder's Beyond Paradise and Pacific Paradise

Masculine—Davidoff's Cool Water, Calvin Klein's cK One—JM

NEW!
at
COSTCO
WHOLESALE

More diapers,
better value!

Convenient
40-day
supply

Save time
and money
with new
larger packs



WAREHOUSE ONLY
© Registered trademark of Kimberly-Clark Worldwide, Inc.
© 2006 KCWW. Disney elements © Disney.

The Truth about Germany

Cologne is one of Germany's oldest cities, dating back to A.D. 50. It has plenty of cathedrals, Gothic and modern architecture and beautiful sites. It is also well known as the most fun of all German cities. You may enter a tavern as a stranger, but you will have plenty of friends on your way out! It's very easy to meet friendly people here. In February, during Cologne Carnival, everyone celebrates nonstop for six days—with plenty of goodies, flowers and kisses. Germany. Who knew? Brought to you by MCI. We shrink the globe.

ONLY **6¢**
A MINUTE FROM
THE U.S.*



Stay connected with
your MCI International
Prepaid Phone Card Plus.



*Assumes no pay-phone calls. Calls to international wireless devices may have higher rates.

Pay-phone calls have an additional 65¢ surcharge, which is subject to change.

By purchasing or using this Card you accept these Terms and the Terms listed at www.mci.com/prepaid and with customer service as they are updated from time to time. For 24-hour domestic customer service, recharge assistance, international rates, access numbers, country codes or to report a defective card, call 1-800-968-0174 before leaving the U.S. International rates vary and are subject to change. Max telco value is 2.86¢/minute. Domestic Directory Assistance charge of 85¢ per call applies. Golden Retriever™ calls for U.S. info are 99¢ each, up to three requests per call. Minute value assumes no pay-phone calls. Usage is rounded to the next full minute. Call price is rounded to the nearest whole cent. Cards may not be used to place 700, 900 or 976 number calls, or to place certain toll-free, operator-assisted, third-party-billed or collect calls. No refund or exchange by MCI for opened or used Cards or PINs unless they are defective. Returnable in-store only. For additional service-related concerns, you may contact the state regulatory agency where Card was purchased. Protect your card. Card has no cash redemption value. Service in Puerto Rico is provided by MCI International, Inc.

WAREHOUSE ONLY

Get over your cold faster!™

Take at the first sign of a cold.



- Rapidly dissolving tablets that quickly dissolve without water.



- No drip liquid nasal gel.

WAREHOUSE ONLY

Actor Blair Underwood's
**Bible
experience**



MEDIA GROUP

Actor Blair Underwood plays the part of Jesus in *Inspired By ... The Bible Experience*.

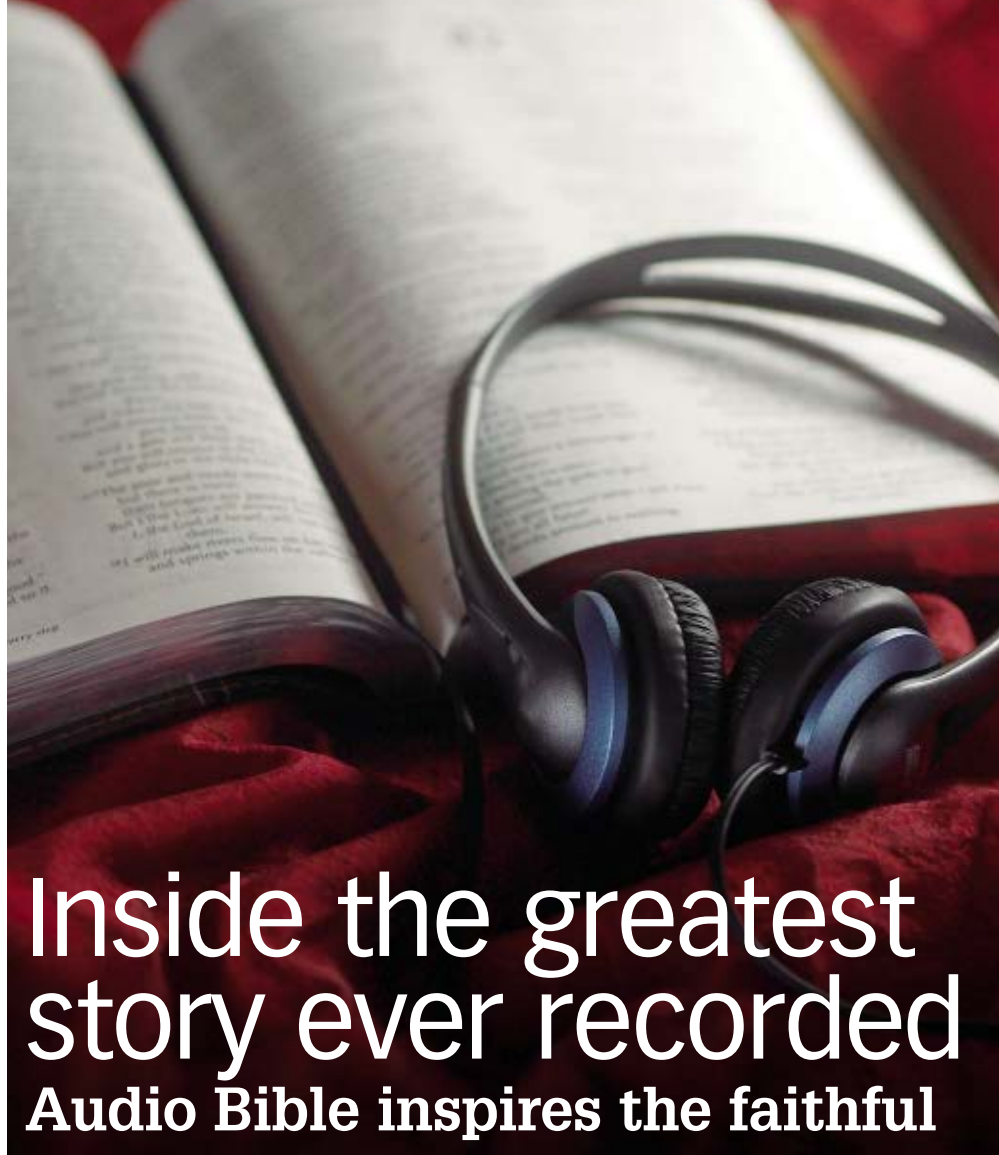
OPPORTUNITIES THAT allow one's religious faith and secular career to merge are rare. Even rarer is the opportunity to reprise the role of Jesus, which Blair Underwood first played in the 1992 movie *The Second Coming*. Casting director Robi Reed brought that very prospect to Underwood's attention during a social gathering about a year ago.

Participating in the audio recording of *The Bible Experience* also offered Underwood the chance to work with director Chip Hurd, the mother of his close friend Kim Fields, acclaimed for her work on *Living Single* and *The Facts of Life*.

"He is the epitome of excellence and integrity in artistry," says Hurd of Underwood's performance.

When Underwood and Hurd got together they discussed a couple of characters for the recording. His preference remained Jesus. "That opportunity really speaks to wanting to show his [Jesus'] humanity," Underwood explains to *The Connection*. "By that I wanted to express every emotion possible. Chiefly I wanted to show his humor.

"The trap was playing godly," adds Underwood. He avoided that trap by showing Jesus' humanity in *Inspired By ... The Bible Experience*.—GB



Inside the greatest story ever recorded

Audio Bible inspires the faithful

JIM FAGIOLLO

By Gloria Blakely

PRODUCERS AT THE *Inspired By ...* Media Group, a Beverly Hills-based company specializing in faith-based multimedia products, craved an audio recording that would bring the Bible alive for people of all ages. They envisioned joggers listening on iPods, grandparents absorbing the words without eyeglasses and families gathered in living rooms immersed in a presentation like no other.

The result is *Inspired By ... The Bible Experience* (www.inspiredby.com), which makes the words and the meaning of the New Testament come alive in a palpable sense.

It was a daunting concept to tackle, especially considering the cavalcade of more than 200 African-American celebrities involved. Many directors might have run from the massiveness of it all, but Chip Hurd, known in acting circles as "the Coach," embraced the challenge. Backed by her wealth of acting and directing experience, this minister in training came prepared for the job.

The opportunity materialized while Hurd was driving

home from shooting a children's television program. She was weak from the flu and wondering how she would push through the final days of work. As she was singing along to gospel singer Donnie McClurkin on the radio and praying for strength, Kyle Browser, an executive producer, called to ask her about directing *The Bible Experience*. The project seemed tailor-made. It uplifted her. "It was an 'Esther' moment," Hurd tells *The Connection*. "Everything in my life that has happened was for such a time as this."

She commenced the epic recording in December 2005. First came actor Matt Gibson as the Old Testament narrator. "He set the bar extremely high," Hurd says. "He opened his mouth and everything in the whole room [lit up] like Technicolor." Hurd says her next thought was "OK, this is just the narration; my Lord, we better bring it."

Actor Blair Underwood's portrayal of Jesus followed. Underwood brought a piece of himself to each moment recorded, Hurd says. "His

"99 percent of the time when the lights came up the [waiting] artist was in tears. Some wept, 'I had no idea.' "

desire to capture the humanness of Christ was primary in capturing the importance of the work.”

When Underwood felt the performance was becoming too preachy, he would stop and gather his thoughts about Jesus, the man. “That was the stuff that made Blair so incredible—that there would be laughter in Jesus’ voice,” says Hurd.

The soundtrack features Oscar-, Emmy- and Grammy-winning talent, including ministers, musical performers such as Take Six and actors such as Underwood and Denzel Washington and his wife, Pauletta—who performed *The Song of Solomon* as a love story.

To help each celebrity understand how far beyond reading their contributions would be, Hurd sat each one in a room, turned out the lights and let them hear early cuts by Gibson, Denzel and Pauletta Washington, Underwood and Angela Bassett, who played Esther. Many had come to the project because they learned those illustrious actors were involved. There was so much emotion in their portrayals that, Hurd says, “99 percent of the time when the lights came up the [waiting] artist was in tears. Some wept, I had no idea.”

Hurd could not forget one particular reaction from actress Tisha Campbell, who played Mary Magdalene. “[Tisha] held my hand so tight while we watched. We looked at each other and she wept openly, I’m not worthy, Chip. I’m not worthy.”

The Coach emerged at those moments to replace the stars’ insecurities and tears with an infusion of living empathy for the biblical scene. Hurd pointed out to Campbell, “You know the reason you’re playing Mary Magdalene is because God chose you, Tisha, out of all the actresses, to be the one that stayed in it and always had really excellent jobs.... He always chose you because He could trust you, and that’s the way we see Mary Magdalene.”

The New Testament volume of *Inspired By ... The Bible Experience*, available now, features an incredible soundtrack embellished by renowned gospel singers and an orchestra from Prague. The Old Testament volume will be available next year.

Hurd believes it should be used by being shared with family and friends. It is, after all, the greatest story ever told. ☞

Gloria Blakely is a freelance writer/journalist living in Philadelphia. She has authored or contributed to seven published books.



The Costco Connection

Inspired By ... The Bible Experience is available in most Costco warehouses and at costco.com.

MAKE IT THE FOCAL POINT

ELECTRIC FIREPLACE SET



Simply Plug it in.

ITM./ART.114813

- Perfect for homes, condos, dens, family rooms, game rooms, bedrooms, or home office
- Fine furniture carved design details
- Solid wood & wood veneer with Pecan and Cherry finish
- No outside venting required
- Realistic flame effect functions with and without heat
- Assembled dimensions: 55 in.W x 45 in.H x 17 in.D 140cmW x 114cmH x 43cmD
- Assembles easily with a Phillips head screwdriver
- 1,350 watt heater, 4,600 btu's per hour
- Glowing logs & ember bed
- Plugs into standard 120v electric outlet
- CSA C/US approved Electric Insert with Heater

© Twin-Star International, Inc. • Delray Beach, FL 33483 • (866) 661-1218 • www.twinstarhome.com
WAREHOUSE ONLY

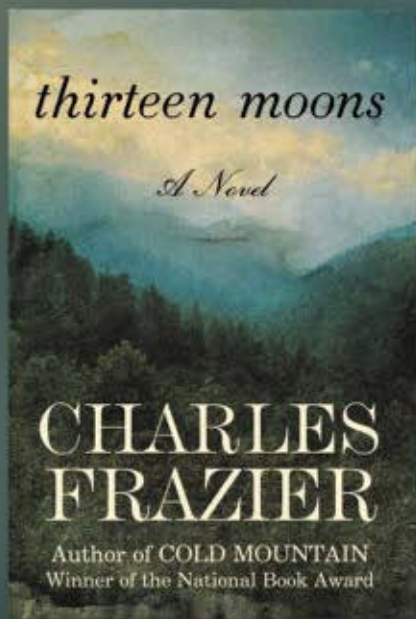
Sitting is Believing!



The iJoy® 245 Robotic Massage® Chair features multi-patented Human Touch Technology® that works like hands, wrists and arms to replicate therapeutic techniques used by chiropractic professionals. Designed to follow the natural contour of your spine and move three-dimensionally, this massage chair offers four programmable massage modes—rolling, kneading, compression and percussion. Features luxurious cashew faux suede upholstery, cup holder in arm rest, auxiliary power outlet in base and three 15-minute pre-programmed massage sessions—full back, upper back and lower back—so you can enjoy a programmed massage whenever you feel like it.

WAREHOUSE ONLY

iJoy®
SIT. PLAX. RELAX.



thirteen moons

Random House • Hardcover

Available October 3, 2006

Written by Charles Frazier, author of *Cold Mountain*, the 1997 National Book Award winner, this magnificent novel is set in 19th-century America, against the backdrop of a vanishing people and a rich way of life.

Brilliantly imagined, written with great power and beauty by a master of American fiction, *Thirteen Moons* is a stunning novel about a man's passion for a woman, and how loss, longing and love can shape a man's destiny over the many moons of a life.

"One of the great Native American, and American stories, and a great gift to all of us, from one of our very best writers." —Kirkus Reviews

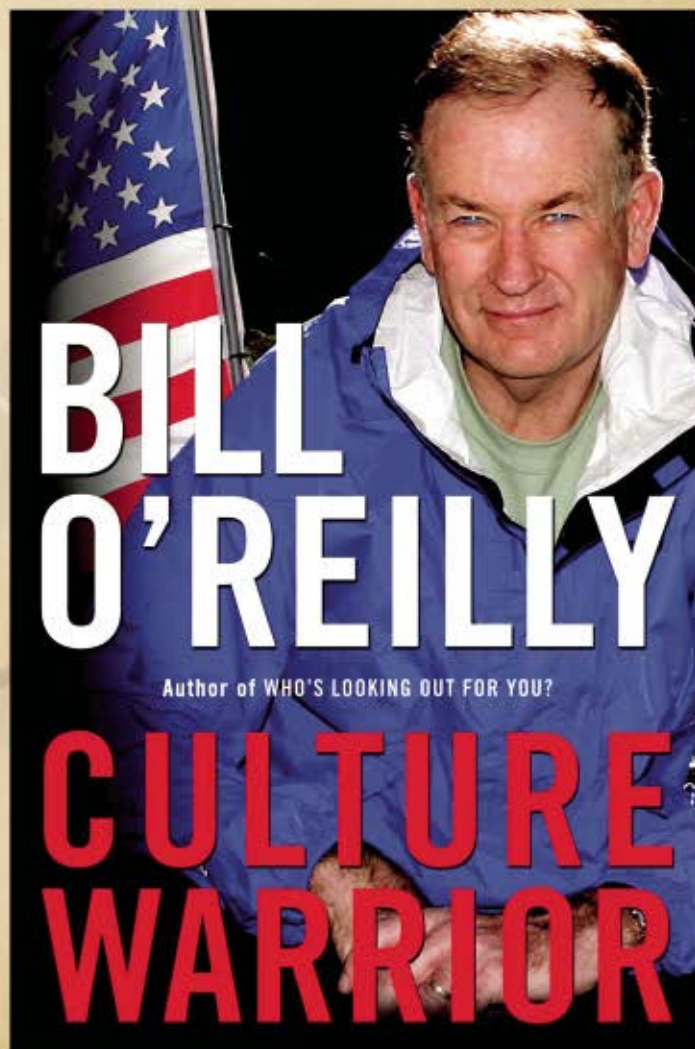
CULTURE WARRIOR

Broadway Books • Hardcover

Available September 25, 2006

With three straight No.1 bestsellers and more than 4 million copies of his books in print, Bill O'Reilly, the most powerful traditional force in the American media, now takes off his gloves in the ongoing struggle for America's heart and soul.

Bill O'Reilly views America as being in the midst of a fierce culture war between those who embrace traditional values and those who want to change America into a "secular-progressive" country. In ***Culture Warrior***, O'Reilly defines this war and analyzes the competing philosophies of the traditionalist and secular-progressive camps. Whatever controversies are roiling the nation, O'Reilly fearlessly confronts them—and no one will be in the dark about which side he's on.





FRANCE FREEMAN

AUTHOR Jonathan Safran Foer is known as something of a wunderkind. His second novel, *Extremely Loud & Incredibly Close*, shows how deserving of praise this talented young writer is.

In this month's pick, after 9-year-old Oskar Shell's father dies in the September 11 attacks, the boy finds a key that fits none of the locks in their apartment. His quest for the right lock soon intersects with the story of his grandfather's survival during the World War II bombings of Dresden, Germany.

Extremely Loud & Incredibly Close is available at most warehouses and at costco.com.

Letting accidents in

Jonathan Safran Foer explains his open-ended approach to writing and life

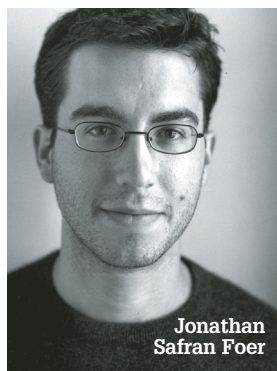
By Dorman T. Shindler

"I DIDN'T HAVE A name for Oskar for quite a long time during the writing process," says Jonathan Safran Foer. He's talking about the protagonist of this month's Book Buyer's Pick, *Extremely Loud & Incredibly Close*, during a recent phone interview from his home in New York City. "Eventually I wrote O-s-c-a-r. I looked at that and thought, 'That's an OK name. But if I use 'k' instead of 'c'...' something about that was a lot more appealing. It was just one of those little aesthetic things. Then I thought, 'If I do that, it's going to remind people of Oskar from *The Tin Drum*.' Then I thought, 'Are there any similarities?' And I started to realize there are a lot of similarities. Then I started to try and make use of those similarities."

Make use of them he did, writing what may have been the first mainstream novel to deal with the tragedy of 9/11 (Oskar's father dies in the collapse of the World Trade Center) while addressing the uncertainty and destructiveness of war. Critics and readers alike have hailed it as such, and more than one newspaper reviewer proclaimed *Extremely Loud & Incredibly Close* to be "the first great novel about September 11." The author begs to differ. His latest novel isn't about the World Trade Center tragedy or the Iraq War: It's a novel about how one boy deals with the death of his father.

"That's how I think about it," says Foer. "As a boy's reaction to his father's death. Of course, September 11 is central to the book. It's the backdrop, and it [adds] historical context."

Foer says he didn't set out to document a



GRANT DELIN

culture's response to 9/11 or write a politically charged book. But he understands how readers can walk away from the novel feeling that sort of resonance. "I would be silly if I said that's totally surprised me," he admits. "It's just not at the heart of what I was trying to do. It's not really an historical book; I wanted it to be much more emotional."

Foer, at 29, seems to be the kind of man who plots out his life—and his novels—in detail. After all, he's already accomplished more than many writers do in a lifetime. At age 23 he was chosen as the *Zoetrope* magazine "All Story Fiction Prize" winner. He has edited two anthologies and written a libretto for an opera. And his first novel, *Everything Is Illuminated*, written while he was a student at Princeton, sold to a publishing house for a \$500,000 advance. It was also the basis of a movie starring Elijah Wood.

But discussing the topics of plots and outlines for his novels, Foer says, "I've never written what I intended to write. It's never once happened." When sitting down to write his second novel, Foer produced thousands of pages of a book about an older man and his world-famous diary. It didn't quite move him, so he started over, and a happy accident was born. As he explains, "I usually start out with what I think is powerful, what I think is a good idea. That doesn't tend to last very long; what takes its place is something unexpected. In the case of this book, Oskar was a character I found I liked spending time with and I wanted to share with others. So that was what I did."

Asked about his plans for the future regarding his career and his next novel, Foer—who is married and the father of a young child—produces a shrug that is nearly audible. "I've just never ended up where I thought I would end up," he says, speaking of writing and of life in general. "Which used to be really scary, and now I'm more at peace with it. You have to open yourself up to accidents. Let accidents in—don't be intimidated or afraid."

Dorman T. Shindler is a freelance writer from Missouri who contributes regularly to several magazines and newspapers.

Signed book giveaway

COSTCO HAS 10 autographed copies of Jonathan Safran Foer's *Extremely Loud & Incredibly Close* to give away.

To enter, print your name, membership number, address and daytime phone number on a postcard or letter and send it to: *Extremely Loud, The Costco Connection*, P.O. Box 34088, Seattle, WA 98124-1088;

or fax it to (425) 313-6718.

No purchase is necessary. Entries must be received or postmarked by midnight, November 1, 2006. Void where prohibited.

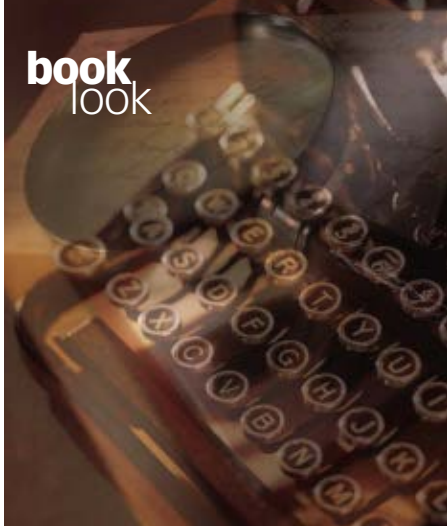
Employees of Costco and their families are not eligible. Winners will be notified by mail. One entry per household.

**Send your feedback
on this month's book to:
discussionquestions@costco.com**



**ONLINE
BONUS!**

News about scheduled book signings at Costco and a book giveaway can be found in "Book Look," only in the *Online Edition* at costco.com under "Costco magazine."



PHOTO/ISC

Success is no mystery

AGATHA CHRISTIE IS the best-selling mystery writer of all time. To introduce a new generation of readers to the Queen of Crime, *The Agatha Christie Collection*—consisting of 24 titles to be released over two years—has been republished in hardback with striking new covers. The first eight titles to be released include *The Mysterious Affair at Styles*, *Murder on the Orient Express*, *The ABC Murders*, *Evil Under the Sun*, *Murder at the Vicarage*, *The Body in the Library*, *The Murder of Roger Akroyd* and *A Murder Is Announced*.

The books are available in most warehouses and at costco.com.

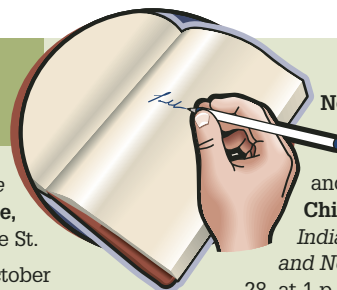
Book giveaway

To help celebrate the release of the new cover designs, Costco is giving away a set of the first eight books plus an Agatha Christie tote bag. To enter, print your name, membership number, address and daytime phone number on a postcard or letter and send it to: Agatha Christie, *The Costco Connection*, P.O. Box 34088, Seattle, WA 98124-1088, or fax it to (425) 313-6718.

No purchase is necessary. Entries must be received or postmarked by midnight, November 1, 2006. Void where prohibited. Employees of Costco and their families are not eligible. Winners will be notified by mail. One entry per household.

The Costco Connection OCTOBER 2006

signings



Nelson Price,
Joan
Hostetler
and Garry
Chilluffo sign

*Indianapolis Then
and Now* on October
28, at 1 p.m., at the NW

Indianapolis, Indiana, Costco, 9010
Michigan Road.

William Dylan Powell signs *Houston
Then and Now* on October 28, at 1 p.m.,
at the **Willowbrook, Texas**, Costco, 12405
N. Gessner Road.

Chris Phelps signs *Charleston Then and
Now* on October 28, at 1 p.m., at the
Charleston, South Carolina, Costco, 3050
Town Center Drive.

Bill Yenne signs *San Francisco Then and
Now* on October 28, at 1 p.m., at the **San
Francisco, California**, Costco, 450 10th St.

Rosemary Lord signs *Los Angeles Then
and Now* on October 28, at 1 p.m., at the
Culver City, California, Costco, 13463
Washington Blvd.

John Akers signs *Phoenix Then and Now*
on October 28, at 1 p.m., at the **Phoenix
(Thomas Road), Arizona**, Costco, 4502 E.
Oak St.

Doris I. Walker signs *Orange County
Then and Now* on October 28, at 1 p.m.,
at the **Laguna Niguel Marketplace,
California**, Costco, 27220 Heather Ridge.

Paula Deen signs *Paula Deen Celebrates*
on October 29, at 1 p.m., at **Mall of
Georgia (Buford), Georgia**, Costco, 1550
Mall of Georgia Blvd. NE.

*All signings are subject to change or
cancellation.

(Click here for maps and
directions to Costco locations.)

Book giveaway

COSTCO HAS five copies of *The
Expected One*, by Kathleen McGowan,
and five signed copies of *Break No Bones*,
by Kathy Reichs, to give away. To enter,
print the name of the book you'd like to
win, your name, membership number,
address and daytime phone number on a
postcard or letter and send it to: October
Book Look Giveaway, *The Costco
Connection*, P.O. Box 34088, Seattle, WA
98124-1088, or fax it to (425) 313-6718.

No purchase is necessary. Entries must
be received or postmarked by midnight,
November 1, 2006. Void where prohib-



ited. Employees of Costco and their fami-
lies are not eligible. Winners will be noti-
fied by mail. One entry per household.

Send your feedback on this
month's Buyer's Pick to:
discussionquestions@costco.com



ARTICLE FEEDBACK ONLINE BONUS! EXCLUSIVE TO THE ONLINE EDITION

Would you believe...?

The weird and the unusual are just part of the job for a *Guinness World Record* judge

By Stephanie E. Ponder

STUART CLAXTON HAS BEEN witness to many unusual things in his life. He's seen a woman whose fingernails are a combined length of more than 24 feet, a man who juggled three balls for 48 minutes while completely submerged in water and a cat with 28 toes.

Encountering such extremes is all part of a day's work for Claxton, a UK native who now resides in New York as the head of U.S. research and TV development for *Guinness World Records*, the half-century-old publication that focuses on extreme feats performed by individuals from nearly every country around the globe.

Claxton says the idea for the now-famous publication began with "just a little hunting trip." Sir Hugh Beaver, then managing director of the Guinness Brewery, took part in a shooting party and became involved in an argument about which was the fastest game bird in Europe: the golden plover or the grouse.

It occurred to Beaver that having a book filled with the answers to those types of questions would be popular. Four years later, in 1955, the first *Guinness Book of Records* came out in England, with a North American edition, the *Guinness Book of World Records*, published in 1956.

The book was an instant success, going through several reprints almost immediately.

Since then Guinness World Records has amassed an archive of around 40,000 records. Each new book contains between 3,000 and 4,000 records—nearly half of which are new. The others are classics, such as the world's tallest man or the oldest tree, that have remained unbroken for decades. This year's edition has all-new photos and new categories.

When asked what it is about these records that still holds people's attention as the book approaches its 52nd year of publication, Claxton offers *The Connection* two reasons. The first, he says, is "a fascination in all of us about extremes, whether they're aspirational or inspirational."

The second reason is a general interest in record breaking. The organization receives 50,000 letters every year, and Claxton speculates that people are



Stuart Claxton (top) works for *Guinness World Records* verifying feats such as Lee Redmond's longest nails and Kim Goodman's ability to pop her eyes 11 mm past her eye sockets.

interested in records because they set limits. They also give the individual a context into which to place him- or herself.

"Not only is there a fascination with major superlatives, but also the results that place one 'here,'" says Claxton. "That's a bonus."

For aspiring record breakers, Claxton says the first step is to visit the *Guinness World Records* Web site, www.guinnessworldrecords.com. Each record has its own set of guidelines that are described in a packet sent to interested parties.

Claxton says that it wasn't until he witnessed his first record attempt that he realized what it means to become a record holder. The attempt was for the longest ramp-to-ramp motorcycle jump. The man had mortgaged his house to buy the materials to build the ramps he needed for the 253-foot jump.

"At the end of the day, all you're really getting is a *Guinness World Records* certificate," says Claxton. "There's no cash prize or cheque or around-the-world trip. It's about the sense of accomplishment and the fact that you are joining an exclusive club of record breakers." [E]

The Costco Connection

Guinness World Records and *Ripley's Believe It or Not: Expect ... The Unexpected* are available in most Costco warehouses.



Believe it or not!

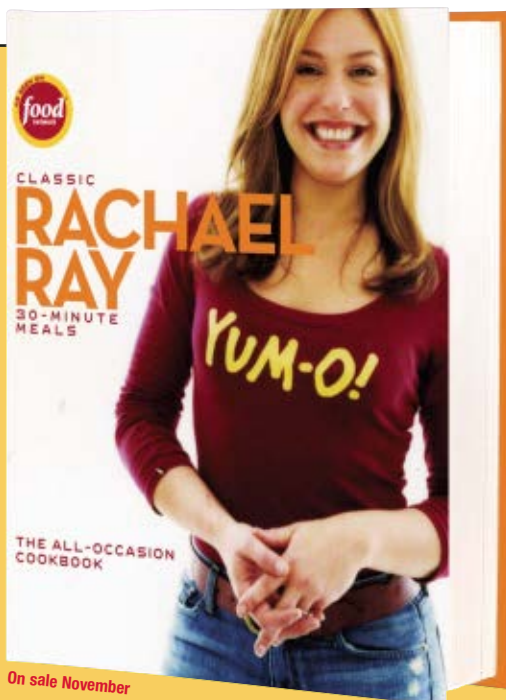
IN THE EARLY 1900s, Robert Ripley had a reputation as a ladies' man, an unquenchable thirst for travel and the distinction of becoming the world's first millionaire cartoonist.

Although details about his actual birthdate and proper name are up for debate, an undeniable fact is that the *Ripley's Believe It or Not®* daily cartoon became an instant success upon its appearance in 1913.

His more than 2 million photographs, taken in 201 countries during his many travels, provided material for his wild illustrations and wilder claims. More than half a century after his death, interest in too-fascinating-to-believe people and feats lives on.

To help celebrate this legacy, readers are being asked to enter the "Dear Mr. Ripley" contest. Contest hopefuls are encouraged to enter if they have a unique talent, own a pet that can perform an amazing stunt or have made an unbelievable find. More information can be found at www.ripleys.com and in the latest edition of *Ripley's Believe It or Not: Expect ... the Unexpected!* —SEP

© 2004-2006 GUINNESS WORLD RECORDS LIMITED, A HIT ENTERTAINMENT COMPANY



On sale November

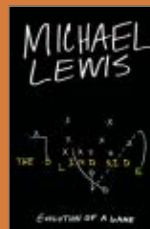
Rachael Ray has shown the eating public how simple it is to make a tasty and nutritious meal in 30 minutes or less. Now she's offering the best of the best—an outstanding collection of her top 30-minute recipes, all in one volume. This must-have cookbook features more than 150 meals chosen from her bestselling titles.

LAKE ISLE PRESS / HARDCOVER

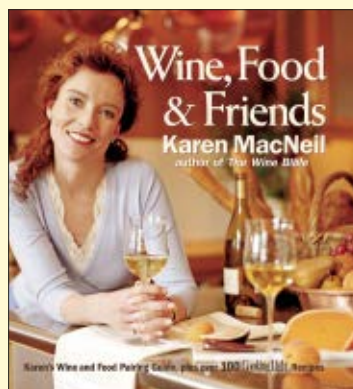
For the sports enthusiast!

The author of the bestselling *Moneyball* follows the moving story of a young man who goes from the dregs of the inner city to becoming the most highly paid athlete in the NFL. *The Blind Side* is a candid look at what can happen when someone believes in you.

W.W. NORTON / HARDCOVER



Available mid-October



Wine expert Karen MacNeil's lifelong passion for flavor blends with more than 100 kitchen-tested *Cooking Light* recipes. Get practical advice on selecting and serving wine with Karen's *Wine, Food & Friends*.

192 pages | 125+ photos | Hardcover

*Wine
&
food...
a match
made in
heaven*

Available
September 2006

Oxmoor
HOUSE

perfect additions for your kitchen library

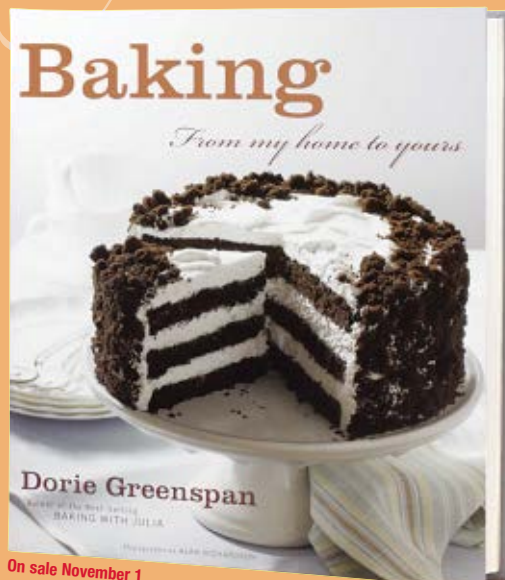
daily delights

"It's been more than thirty years since I started baking at home, and rarely a day goes by that I don't bake. This book is a record of those years."

—Dorie Greenspan, New York City, 2006

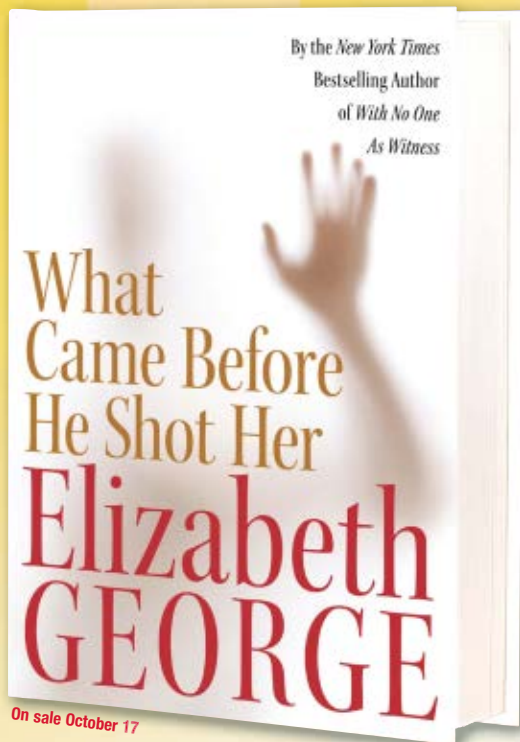
Dorie Greenspan brings three decades of experience to your kitchen with her latest cooking guide, *Baking: From My Home to Yours*. Created with a true love of home baking, Greenspan's new offering is more than just a cookbook. Professional hints, a dessert maker's glossary and stories from the trenches of the bakery make *Baking* a truly one-of-a-kind guide. And with 300 recipes featured, from raisin swirl bread to big spicy muffins to a dramatic black and white cake—you simply can't go wrong!

HOUGHTON MIFFLIN / HARDCOVER



On sale November 1

WAREHOUSE ONLY

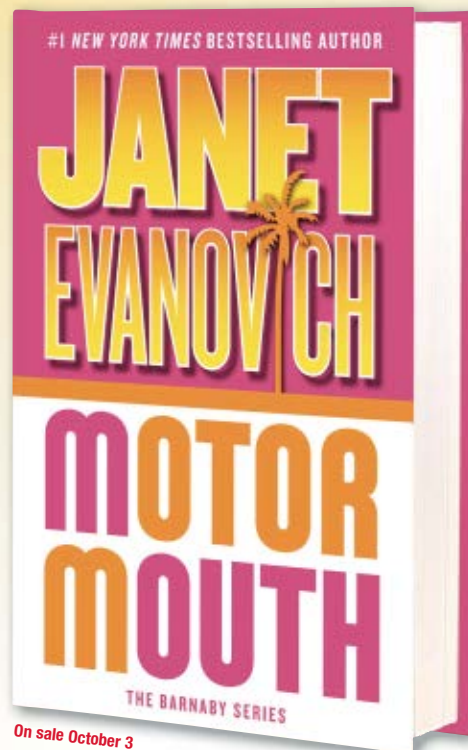


Three orphans struggle with their past and share a future that is bleak. When they forge a pact they hope will change their lives, it ends the life of another. In Elizabeth George's most stunning novel to date, she looks at the dramatic events that led up to a woman being gunned down at her own doorstep, in **What Came Before He Shot Her**.

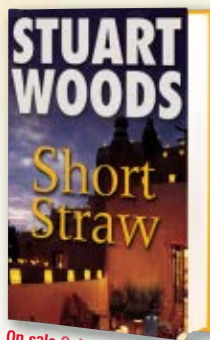
HARPERCOLLINS / HARDCOVER

Alexandra "Barney" Barnaby and Sam Hooker return in the latest of Janet Evanovich's hot-wired series. It's life in the fast lane for Barney and Hooker when the couple borrows a NASCAR hauler that happens to be carrying a couple of race cars and one dead dude. Nothing ruins a reputation like a potential murder conviction with a side of grand theft auto tossed in for kicks.

HARPERCOLLINS / HARDCOVER



hot and new.in print

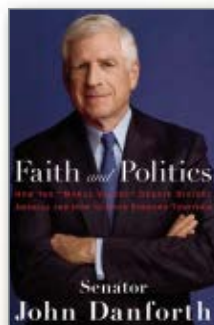


You first met Ed Eagle in Stuart Woods' thriller *Santa Fe Rules*. Ed was marrying Barbara Kennerly, against his better judgment. Now she's cleaned him out and run off to Mexico, and her scheme is bigger and deadlier than he could have imagined.

G.P. PUTNAM'S SONS, A MEMBER OF THE PENGUIN GROUP (USA), INC. / HARDCOVER

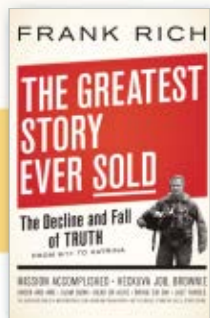
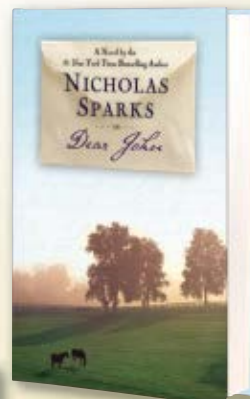
John Danforth takes a hard look at the precarious combination of faith and politics in America and suggests how Republicans and Democrats can bring about much-needed change in **Faith and Politics**.

VIKING, A MEMBER OF THE PENGUIN GROUP (USA), INC. HARDCOVER



A man goes to war and a woman stays behind. Their love is strong, but as time passes, separation becomes more difficult. Then he receives a letter. **Dear John**—with two words, two lives are forever changed.

WARNER BOOKS / HARDCOVER

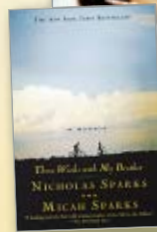
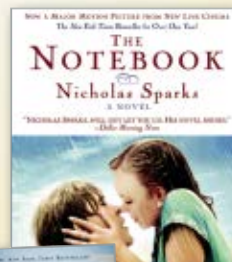


New York Times correspondent Frank Rich explores the power of the political machine and the spin doctors behind the Bush administration. Rich uncovers the propaganda presidency with the passion and conviction that have made him one of the most trusted public voices of the day.

THE PENGUIN PRESS, A MEMBER OF THE PENGUIN GROUP (USA), INC. / HARDCOVER



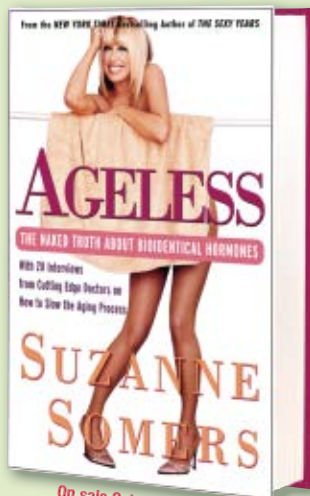
Acclaimed royal biographer Sarah Bradford separates the myth from the truth in an explosive study of the real Diana—the mother, the friend, the lover. VIKING, A MEMBER OF THE PENGUIN GROUP (USA), INC. / HARDCOVER



Don't miss all of Nicholas Sparks' books now in paperback, including fan favorites like **The Notebook**, **A Walk to Remember** and more!

WARNER BOOKS / PAPERBACK
Available early October

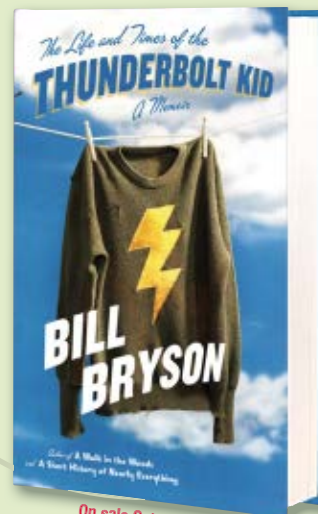
WAREHOUSE ONLY



On sale October 10

With *The Sexy Years*, Suzanne Somers showed women a new way to look at menopause. Now, in *Ageless*, she helps them take control of the aging process, making it possible to look and feel their best at any age. Backed by the knowledge of prominent anti-aging doctors, Suzanne will help women of all ages slow the aging process.

CROWN / HARDCOVER

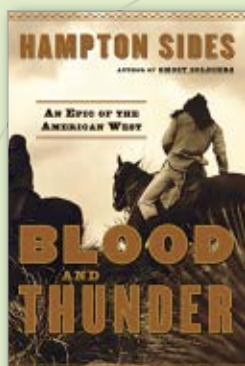


On sale October 17

Bill Bryson grew up in the middle of the United States, in the middle of the 20th century, as a baby boomer who sometimes fancied himself a superhero. In *The Life and Times of the Thunderbolt Kid*, he re-creates his childhood and offers readers a hilarious and heartwarming look back at a time when life was simple and anything was possible.

BROADWAY / HARDCOVER

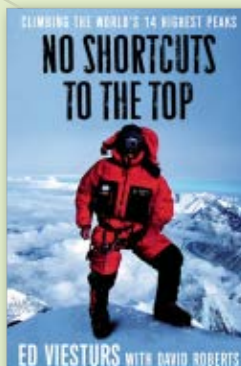
"Anyone who says they have but one life to live must not know how to read a book." —Anon



On sale October 3

A story full of heroes and villains, including the remarkable Kit Carson, who will go down in history as both, Hampton Sides' *Blood and Thunder* tells how the West was really won.

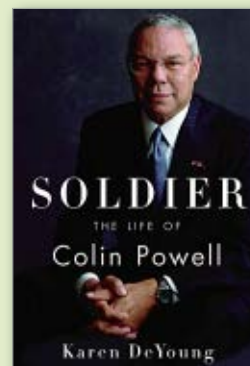
DOUBLEDAY / HARDCOVER



On sale October 17

For the first time, legendary mountaineer Ed Viesturs tells his story—the tragedies and the victories. In *No Shortcuts to the Top*, Viesturs recounts his most dangerous climbs and his close calls, as well as his historic role in the 1996 Everest disaster covered in the book *Into Thin Air*.

BROADWAY / HARDCOVER



On sale October 10

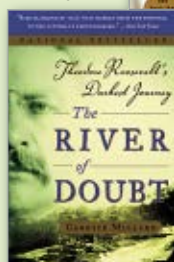
Colin Powell has devoted his life to the service of his country. But after abruptly leaving his post with the second Bush administration, he has been misunderstood by the American public. Drawing on interviews with Powell himself and unprecedented access to his personal and professional papers, award-winning journalist Karen DeYoung reveals the life of a very private public icon in *Soldier*.

KNOPF / HARDCOVER

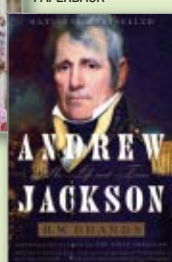


ANCHOR / PAPERBACK

BROADWAY / PAPERBACK

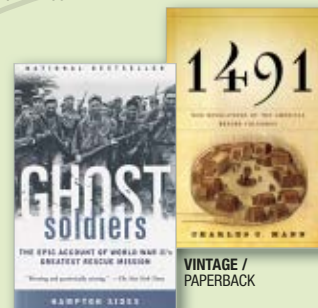


ANCHOR / PAPERBACK

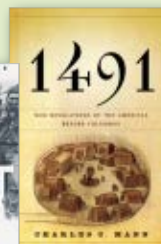


Costco Wholesale offers some of the hottest history books in paperback. *The River of Doubt* covers the little-known tale of Theodore Roosevelt's quest to map an unexplored part of the Amazon River. *Marie Antoinette* is a provocative look at one of the most infamous women in European history. Take an intimate look at a real man of the people in H.W. Brand's *Andrew Jackson*. Hampton Sides re-creates the daring rescue mission of POWs from behind enemy lines during World War II in *Ghost Soldiers*. And get a portrait of the Americas before the arrival of Columbus in *1491*.

Available early October



ANCHOR / PAPERBACK



VINTAGE / PAPERBACK

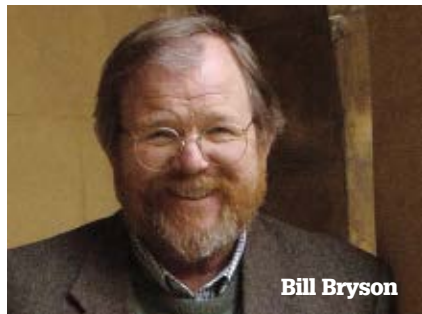
WAREHOUSE ONLY

Keeping yourself, the kids and your pets entertained

NONFICTION

The Life and Times of the Thunderbolt Kid: A Memoir, by Bill Bryson. Bryson was born in the middle of the 20th century (1951), in the middle of the United States (Des Moines, Iowa), in the middle of the largest generation in American history (the baby boomers). Like millions of his generational peers, Bryson grew up with a rich fantasy life as a superhero. He ran around his house and neighborhood wearing a jersey with a thunderbolt on it and a towel about his neck that served as his cape, leaping tall buildings in a single bound and vanquishing awful evil-doers—in his head—as the Thunderbolt Kid. Here Bryson re-creates his early years—a life at once completely familiar and as far away and unreachable as another galaxy.

Dog Games: Fun and Games for Your Clever Canine, by Mary Ray. Teach your best friend to sit, lie down, beg, shake hands, play dead and, best of all, fetch the remote and bring it to you! You'll be amazed at how smart your dog is. This book is entertaining and so rewarding: Your dog will love the atten-



Bill Bryson

BATH & NORTH EAST SOMERSET COUNCIL, UK

tion, and you will love the results. Two other books for you and your four-legged friend to enjoy are *Dancing with Dogs*, by Mary Ray and Sarah Whitehead, and *Puppy School: 7 Steps to the Perfect Puppy*, by Gwen Bailey.

CHILDREN'S FICTION

The Beatrice Letters, by Lemony Snicket. This collection of correspondence sheds light on many of the mysteries surrounding Snicket and *A Series of Unfortunate Events*. These letters reveal what Count Olaf was like as a boy, what will happen in the 13th book and the ingredients in a really good root beer float.

This set contains letters between Snicket and Beatrice as well as letters of the alphabet hidden throughout the package; unscramble it all to uncover what the future holds.

Mommy?, by Maurice Sendak. When a little boy walks into a house of horrors, what does he want? He wants his mommy! All the monsters we know and love to be scared of are here: Frankenstein, the mad scientist, Wolfman, Dracula and goblins, too. This boy is on the hunt and will not be stopped until he finds his mommy. His search is interrupted only when he shows the monsters a thing or two.

Mary Poppins, Mary Poppins in the Park, Mary Poppins Opens the Door and Mary Poppins Comes Back, by P.L. Travers. From the moment Mary Poppins arrives at Number Seventeen Cherry-Tree Lane, everyday life at the Banks house is forever changed. This classic series tells the story of the world's most beloved nanny, who brings enchantment and excitement with her everywhere she goes. These new hardback editions will delight readers of all ages. —Valerie Ryan

Little, Brown and Company / Hardcover
**AVAILABLE
OCTOBER 9, 2006**

Veteran bestseller Michael Connelly brings readers another thrilling crime novel. Detective Harry Bosch reopens one of his own unsolved cases and comes face to face with a psychotic killer he has been seeking for 13 years. When the detective discovers he missed a clue that might have prevented nine other murders, Bosch's whole being as a cop begins to crack.

Receive \$2 off at register on a Connelly paperback with purchase of Echo Park.

Hyperion Books / Hardcover

The author of *New York Times* bestsellers *Tuesdays with Morrie* and *The Five People You Meet in Heaven* returns with a beautiful, haunting novel about the family we love and the chances we miss.

Reader's Digest / Hardcover

Taste of Home magazine—The #1 cooking magazine in the world introduces a new cookbook!

The five-ring binder-style collection contains more than 1,200 kitchen-tested recipes and 700 color photographs. *The Taste of Home Cookbook* is a must-have resource for every home and an ideal gift for holidays, birthdays and more. Free subscription to *Taste of Home* magazine (\$23.94 value) with purchase of cookbook.

WAREHOUSE ONLY

We're all about the kid stuff



Little readers will adore the newly updated story collections from Disney. The **Disney-Pixar Storybook Collection** is a brand-new volume featuring more than 20 stories from popular films including *Toy Story* and *Cars*. **Disney Friendship Stories** focus on love and friendship, and don't miss **Disney Storybook Collection** and **Disney Princess Collection**. Each book is full of color and has more than 200 kid-friendly stickers inside.

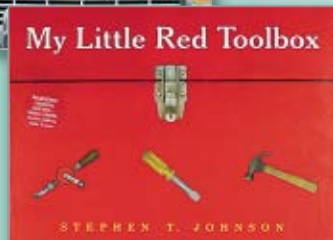
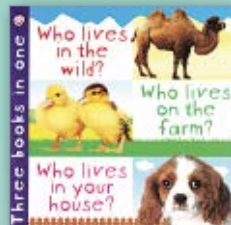
DISNEY PRESS / HARDCOVER

Available early October

Large, sturdy board books with colorful photos will cultivate the imagination of your little reader. Help your child learn important words with not just one book but **Three Books in One**. Choose from titles about transportation, animals, babies and much more!

PRIDDY BOOKS / BOARD BOOK

Available early October

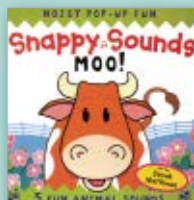


Caldecott Honor artist Stephen T. Johnson puts learning in the hands of little readers.

My Little Red Toolbox is an interactive book that includes all the safe tools kids need to hammer, saw and measure for hours of fun. Then, young drivers will take care of all the cab's maintenance before they can get on the road. Put your children behind the reading wheel with **My Little Yellow Taxi**.

HARCOURT / HARDCOVER

Available early October



Kids will learn as they listen with these bright, interactive books. Each book features new sounds and words that assist with vocabulary comprehension. Little readers can listen to the exciting sounds of the circus, have fun with animal sounds, explore the jungle, learn about the world of music and more!

SILVER DOLPHIN / POP-UP BOARD BOOK

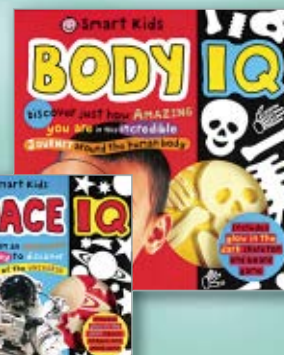
Available late October



Check out fascinating subjects from unique perspectives. Get a bug's-eye view of the microscopic world of insects, explore the prehistoric world and outer space and take a look at the human body from the inside out. Each book comes with a board game and a glow-in-the-dark toy that will make young readers yearn to learn!

PRIDDY BOOKS / BOARD BOOK AND GAME

Available early October



Lift-the-Flap Playbooks help little readers create different stories every time! The fun-filled books feature dozens of flaps with surprises hidden behind each one. Explore animals with **Let's Go to the Zoo and Farm**, and learn about neighborhood and transportation with **My Little People Busy Town, Cars, Trucks, Planes and Trains** and **School Bus**.

READER'S DIGEST / PAPERBACK

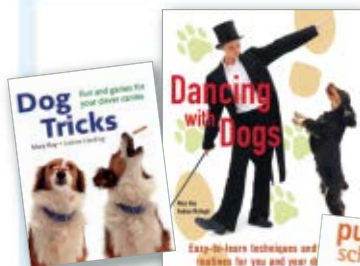
Available mid-October



Phidal

www.phidal.com

The Learning Series collection teaches children how to write letters and numbers, as well as how to draw shapes and basic objects. Includes a 22-page board book and a magnetic drawing pad. Available this October.



There's more to fun with your four-legged friends than just playing fetch. Learn how to boogie with your best buddy with **Dancing with Dogs**, make sure your friend is welcome in any home with **Puppy School** and turn your pup into a real show dog with **Dog Tricks**.

THUNDER BAY PRESS/ HARDCOVER

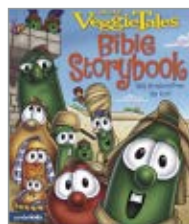
Available mid-October



Uniquely shaped and delightfully illustrated board books will captivate little readers and teach them a thing or two as well! Discover the danger of fire in **Fireman Safety**, learn all about the game they call football in other countries in **Let's Play Soccer** and many more!

BARRON'S/ BOARD BOOK

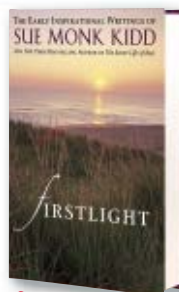
Available now



Available early October

Join the **VeggieTales** gang for a colorful and fun version of 20 favorite Bible stories. Based on the popular children's videos, the **VeggieTales Bible Storybook** is an excellent way to introduce kids to the Bible and keep them coming back for more.

ZONDERKIDZ/ HARDCOVER



On sale October 10

Early musings, writings and reflections from the bestselling author of *The Secret Life of Bees* are offered for the first time in **Firstlight**. Sue Monk Kidd imparts profound inspiration by sharing an intimate look at her own "firsts."

IDEALS PUBLISHING/ HARDCOVER

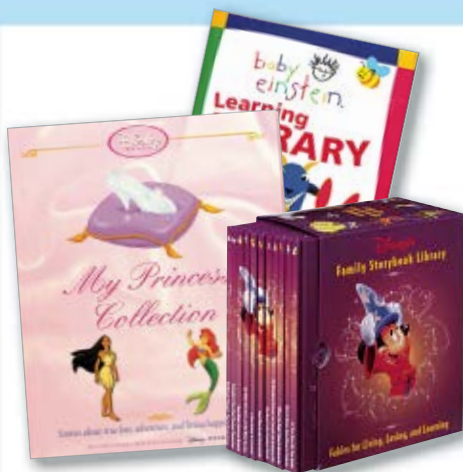


Greet each month in 2007 with style. The **Note Nook** is the original calendar that keeps you organized and looks great at the same time. With pockets that hold receipts, bills and other important papers that manage to pile up every month, **Note Nook** calendars are not only beautiful, but also practical. Choose from **Spirit of the Far East**, **Colors of Provence** or top sellers **Botanical Garden** or **Butterflies**.

AVALANCHE PUBLISHING, INC./ WALL CALENDAR

Available early October

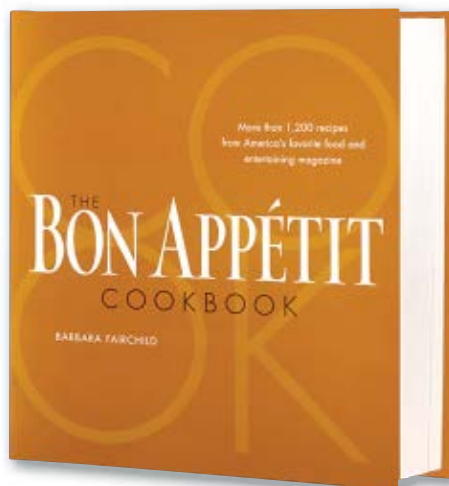
BOOKS TO GROW ON



Gift boxes featuring 12 favorite books can be found at Costco Wholesale! In the **Baby Einstein Learning Library**, little learners will begin to shape their concepts of the world around them with books like **Let's Explore Colors** and **Let's Explore Animals**. Youngsters will read about "happily ever after" with **My Princess Collection** and **Disney's Family Storybook Library**.

HYPERION/DISNEY PRESS/ BOXED SET

Available mid-October



JOHN WILEY & SONS/ HARDCOVER

Available now

"You can always tell a **Bon Appétit** recipe: It's a sophisticated twist on a beloved classic, and it's easy to make." —Barbara Fairchild

BOOK GIVEAWAY

The Costco Connection has 10 copies of *The Bon Appétit Cookbook* (including a free year subscription to the magazine) to give away. Retail value \$34.95. To enter, print your name, membership number, address and daytime phone number on a postcard or letter and send it to:

The Bon Appétit Cookbook Giveaway,
P.O. Box 34088, Seattle, WA 98124-1088,
or fax it to 425-313-6718.

FREE subscription to the magazine with proof of purchase!

No purchase is necessary; must be a Costco member to be eligible. Entries must be received or postmarked by midnight, November 11, 2006. Void where prohibited. Employees of Costco and John Wiley & Sons Inc. and their families are not eligible. Must be 18 years or older to enter. Winners will be selected at random and will be notified via mail by November 30. Winner is responsible for all applicable federal, state and local taxes.

WAREHOUSE ONLY

ENDLESS GAME PLAYING!

*Action! Adventure!
And a whole lot of fun!*

What's your style of play?



The future of gaming at your fingertips.



I think, therefore I play...



KEN BROWMAN

Brain games offer a smart alternative to shoot-'em-ups

By Charles Bermant

IMAGINE THIS SCENARIO: A guy is sitting in the living room, reading the paper. His son is upstairs playing a video game while his wife is in the kitchen wrapped up in a round of electronic Sudoku. She finishes the puzzle at the same time her son completes the last brain teaser of identifying how many cubes are in a stack. And they both let out a loud, simultaneous “Yesssssss!”

Video games are evolving as game makers come out with alternatives to the violent and complicated products that have defined the industry. Most people who consider themselves “gamers” will still crave dazzling graphics and a need for astounding dexterity to go from one level to the next. But “casual” games, as they are christened, are more about showing brainpower than aggression.

“When you accomplish a goal it is not at someone else’s expense,” says industry analyst Rob Enderle of the emerging category. “These games keep your mind sharp and can increase your mental acuity.”

Loosely defined, casual games are mentally based exercises that test levels of competence rather than competitive strengths. They are nonviolent, easy to use and skewed toward an older audience than the standard 18- to 35-year-old white male gamer demographic.

Players are embracing games that ask them to match random numbers or shapes and don’t blow anything apart when they get a wrong answer. The games often have a

frame of reference to what a person already knows. And they’re easy to start and play.

“With a lot of video games you need to spend 20 or 30 minutes figuring out how it works,” says *Seattle Times* reporter Kim Peterson, who covers—and plays—video games. “You can pick these up and start playing right away. You have a challenge and work to beat your own score without killing anybody. This appeals to a lot of people.”

“These games keep your mind sharp and can increase your mental acuity.”

—Rob Enderle

Consider the popularity of Sudoku, a logic puzzle using number sequences. Game developers have entered the Sudoku market with video games and devices for electronic play. Sudoku books are published with magazine frequency, while those who prefer a computer-based format can take advantage of numerous free online sites.

Like *Pong* or *Tetris*, Sudoku can be profoundly addicting to people who claim to dislike video games—except it doesn’t require spry physical response or hand-eye coordination. You only need to concentrate

long enough to play one game. And another. And yet another. OK, just one more.

Such obsession isn’t a prerequisite. The self-paced nature allows the completion of one game in 10 minutes or 10 days. And because there are no flashing lights, people play as therapy. You could wake up in the middle of the night worried and restless, then play a few rounds of Sudoku—it’s instant relaxation.

For others, the games are stimulating. This is supported by game journalist John Bardinelli, who says that when he plays a few games of Sudoku in the early afternoon “I end up feeling just a little bit sharper for the rest of the day.”

Supporters say that casual games do more than keep us amused. A RealNetworks survey this spring reported that three-quarters of parents whose children play casual games have observed an educational benefit.

Matt Atwood, public relations manager at Nintendo, says casual games have cross-generational appeal. “With some games, kids show them to their mothers and get no reaction,” he says. “But with games like Sudoku, we’ve heard of cases where once kids show Mom the game they don’t see their game device for a very long time.”

Even so, the casual game’s ability to sharpen one’s wits or deepen one’s knowledge pool is secondary to what matters most. “The consumer doesn’t want products to help them become smarter,” says Michael Goodman, a senior analyst with the Yankee Group. “These are games. They need to be fun.”

The Costco Connection

Costco warehouses and costco.com feature two brain-challenging games from Nintendo: *Big Brain Academy* and *Brain Age*, as well as Sudoku video games and players.

Charles Bermant writes about music and technology and can be found online at www.rocksbackpages.com.

Microsoft®

Fusing powerful hardware, software and services, **Xbox 360** fully engages you in a gaming experience that is more expansive, dramatic and lifelike.

If you're a serious gamer looking for the ultimate console, the search ends here.

Xbox 360 is the unsurpassed gaming and entertainment experience right out of the box.

Includes console, hard drive, wireless controller, Xbox Live (30-day trial), headset, Ethernet connectivity cable and component HDAV cable.

XBOX 360 Bundles may vary by warehouse

more games.more choice.
more fun.

WAREHOUSE ONLY

Choose #1 best-selling Punch! Software for your next home design project.

Perfect for home, landscape, decks and more!



Punch! Professional Home Design Suite Platinum® includes easy-to-use industry-acclaimed Punch! Master Landscape &

Home Design®, Punch! Professional Home Design Suite® and more.

Perfect for interior decorating, remodeling and planning!



Punch! Interior Design Suite Deluxe™ includes top home-improvement manufacturer product libraries and combines them all into one easy-to-use interface.

punch!
SOFTWARE®

WAREHOUSE/COSTCO.COM

Fun
for all the
kids!



WAREHOUSE ONLY

Hot games for the holidays

By Steven L. Kent

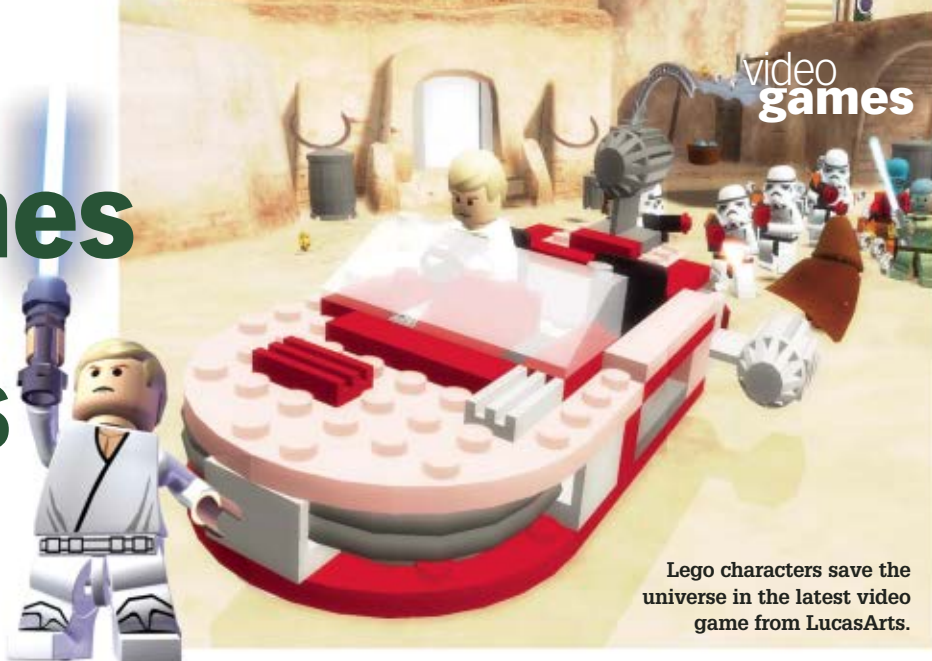
THE BIG VIDEO GAMES of 2006 are out—just in time for the holidays, of course. Whether you're shopping for young gamers, teens or that overage kid, here's a look at some of the games that are going to be big, available in Costco warehouses and at costco.com.

Family fare

If there's a safe bet game for younger players, it's **Lego Star Wars: The Original Trilogy**, the sequel to last year's smash title. Rated E10+ (for players ages 10 and up), this game lets players control Luke, Obi-Wan, Han and Chewbacca as they save the galaxy in adventures based on the original *Star Wars* movies.

On the portable side, **Nintendogs: Dalmatians** should hit the "spot" for Nintendo DS owners who held out on buying the original *Nintendogs* until they could get a game with Dalmatians. This game lets you raise, train and walk your virtual dog.

Superman fans should keep an eye out for **Superman Returns**, a game based on the summer movie.



Lego characters save the universe in the latest video game from LucasArts.

LUCASARTS

Teen titles

One of the most anticipated games this year is **The Legend of Zelda: Twilight Princess**, the darkest and most adult game to date in Nintendo's legendary *Zelda* series. This time an older Link must deal with a bit of lycanthropy (he is a werewolf) while saving the kingdom.

In a slightly less fantastic world, Tony Hawk is looking for the eight best amateur skaters in the world in **Tony Hawk's Project 8**. With the powerful new game systems coming out, Activision has ramped up its *Tony Hawk* series to all-new levels.

Activision has also released **Tony Hawk's Downhill Jam** for the new Nintendo Wii.

Sims 2 Pets, an expansion pack for the highly successful *Sims 2* series from Electronic

Arts, lets players create dogs, cats and other creatures for their virtual characters.

When it comes to sports, Electronic Arts is ending the year on a strong note. **NBA Live 07** has an all-new level of presentation thanks to the partnership between Electronic Arts and ESPN. As for **Tiger Woods PGA Tour 07**, the game has a more realistic aiming scheme.

For older players

Call of Duty 3, the latest addition to Activision's intense World War II combat series, takes players into occupied France in the weeks after the D-Day invasion. Look for action and authenticity, but not an overdose of blood. The Entertainment Software Ratings Board rates the *Call of Duty* games appropriate for players ages 12 and up.

You will see lots of blood, however, in Ubisoft's amazing stealth espionage thriller **Tom Clancy's Splinter Cell: Double Agent**. Super-spook Sam Fisher goes undercover to infiltrate a terrorist organization in one of the finest games of the year. [A]

Novelist and video games journalist Steven L. Kent's latest novel, *Rogue Clone*, came out in September. For more about Kent, see his Web site, www.SadSamsPalace.com.

The latest in players

THE BIG PLAYERS in the world of video game consoles keep coming out with powerful new systems with the latest in technological advancements. Here's this year's lineup (availability is expected to be limited).

The Xbox 360. Xbox 360 is a worthy heir to the original Xbox, built to play bigger versions of the kinds of games you've played before. A few blockbuster games have already appeared on the system, but the real star of the 360 lineup is Xbox Live Arcade, a service that offers original and classic games for fees around the \$5 range. The biggest hit is the all-new *Geometry Wars*.

Nintendo Wii. With Wii, Nintendo threw out its old playbook in favor of innovation to play games in a whole new way.

The big news about Wii is its motion-tracking controllers. You control the majority of Wii games by simply flicking your

wrist or moving your arm. For Wii *Tennis*, you simply flick your wrist backward for backhand shots and forward for forehand.

A standard controller is available for Wii, as well as a thumb-pad add-on.

PlayStation 3. Sony's new PlayStation 3 is the most technologically advanced game system ever. It features IBM's highly touted cell processing technology. At the heart of PlayStation 3 is one chip with seven synergistic brains that work in tandem to offer more processing power. PlayStation 3 will also include several other extras, including a Blu-ray optical disc drive.

Serious players will also want to check out **Sony's PSP** (PlayStation Portable) and **Nintendo's DS Lite**.—SK



Xbox 360

PAID ADVERTISEMENT

Aviation defined
WAREHOUSE ONLY

Fun Games for Fall

Bratz: Forever Diamondz



Available now

Open Season



Available now

Naruto: Clash of Ninja 2



Available 9/27

Work Time Fun (WTF)



Available 9/27

Avatar: The Last Airbender



Available 10/11

The Legend of Spyro



Available 10/11

Destroy All Humans 2



Available 10/18

Naruto: Ninja Council 2



Available 10/18

Splinter Cell 4: Double Agent



Available 10/18

Not your father's tour company

By T. Foster Jones

WHEN I FIRST TRAVELED to Europe, a young man with a spring in my step and a pack on my back, I eschewed the idea of going with a tour group. Tours were for old people. You spent all day being herded on and off a bus. You had no independence. I wanted to be free to go wherever and whenever I chose.

After roaming around for several months, however, I realized that, for all my vaunted independence, I was spending an extraordinary amount of time and energy just gathering information: finding places to stay, figuring out what to see and how to get around. More important, as I found out afterward, I missed out on the relevance of many of my experiences. There was so much historical and cultural significance to what I was passing through, but I had no one to point it out and help me understand it.

In the years since my first trip, the escorted-travel industry has undergone quite a change. Tour companies have recognized that there is a happy medium between the go-it-alone and the led-by-the-nose experiences. Smaller groups, greater scheduling flexibility, varied pacing and wider choices of itineraries mean that a traveler can pick the tour that fits his or her needs.

Perhaps no other company better represents this than Trafalgar Tours. In the business of showcasing Europe for more than half a century, Trafalgar has mastered the balance of escorted travel and free time.

"With Trafalgar, you can choose not just the where and when of your journey, but the how, with Trafalgar's distinct touring styles," says John Severini, president of Trafalgar Tours.

The company offers five different travel paces designed around the style, number of experiences and level of independence desired, and more than 100 itineraries, from eight days to 30-plus days. A visitor to Europe might want to see several countries in one fell swoop, and so opt for a faster-paced tour. Others might prefer to stay in one area for their stay and delve further into the culture,

and elect for a region-based program.

Whichever tour, pace or area they choose, Severini says, Trafalgar travelers won't miss out.

"Every tour compiles all the 'must-do, must-see' elements into one enriching experience," he says. "You will enjoy ideally located hotels. You will sample Europe's culinary delights, exquisite sites and authentic atmosphere. Best of all, you pay one price for a great vacation that includes everything, giving you true value for your money."

Somewhat paradoxically, by traveling with a group, your personal travel time is freed up. No stress about where to sleep. No worry about missing the significant sights. No time wasted on mundane tasks.

"We treat time as precious, so we deliver the most out of each and every day so you can see all that Europe has to offer," says Severini.

To top it off, the tour director assigned to each trip ensures that not only will you not miss seeing anything, you won't miss out on what it means.

"The tour director is key," says Severini. "He or she is not only a concierge, but a historian to establish relevancy to all the sights. Your tour director provides insights that make what you're seeing come alive." [E]

The Costco Connection

Costco members receive either one complimentary pre-night at the first hotel designated in the itinerary, plus a pre-night one-way private transfer, or instant 10 percent savings off the land portion of any Trafalgar Tour on costco.com. Members will also receive 5 percent off airfare booked through Trafalgar Tours. Book online at costco.com or call Costco Travel toll-free at 1-877-849-2730.

Travel alert: Effective January 2007, passport requirements for American citizens will change dramatically. For complete information, visit www.travel.state.gov.

T Trafalgar

The World's Favorite Touring Company



TRAFALGAR TOURS ESCORTED VACATIONS

Costco Travel has partnered with Trafalgar Tours to bring you the very best in Europe escorted motor coach tours. With more than 100 different European itineraries, Trafalgar offers a variety of tours in the following regions:

- Britain & Ireland
- France, Spain, Portugal & Morocco
- Italy & Combinations
- Central & Eastern Europe
- Scandinavia & Russia
- Israel, Egypt, Turkey, Greece & Greek Isles

COSTCO MEMBERS RECEIVE AN ADDED VALUE OF EITHER:

One complimentary pre-night at the first hotel designated in the itinerary, plus a pre-night one-way private transfer

OR

Instant 10% savings off the land portion of any Trafalgar Tour featured on costco.com or as designated by a black dove in Trafalgar's Europe and Britain book.



**EXECUTIVE MEMBERS RECEIVE
AN ADDITIONAL BENEFIT.**

Please call for details.



**Book online at costco.com or call
toll free at 1-877 849-2730.**

*Price quoted will be per person based on double occupancy and will include hotel taxes. Price will be valid for travel as specified. Prices and inclusions are subject to change without notice. Travel purchases are not included in the Executive Membership 2% Reward program. Seasonal surcharges, availability, blackout dates and restrictions may apply. All prices will be in U.S. dollars. Costco Travel disclaims liability for any inaccuracies or typographical errors.

Costco Travel is a registered seller of travel and travel agency in the following states: Washington (WST 602042600), Ohio (8789302), Florida (Fla. Seller of Travel Reg. No. ST32555) and California (CST 2054248-50). Registration as a seller of travel does not constitute approval by the state of California.

06TR1302_B 10/06

The Wines of Costco

Kirkland Signature label is a sign of value

BuyingSmart

Consumer reporter **Pat Volchok** gives a behind-the-scenes look at Costco products and services. Send your questions to: **buyingsmart@costco.com**

ONLINE BONUS! For a helpful guide to Kirkland Signature wines featuring vintage notes, food pairings and more, visit costco.com, click on "Costco Magazine," then "Kirkland Signature Wine Collection."

WITH THE HELP of a whole lot of grapes (and expert winemakers), Costco popped the cork on Kirkland Signature™ premium wines in 2003.

It all started with a gorgeous deep magenta-red, full-bodied 2003 South Australia Barossa Valley Shiraz selling for \$9.89 and tasting more like \$40. At the time, Barossa was just a dot on the map, but Costco wine buyers knew their grapes. Within days of its appearance in warehouses, wine circles were abuzz and pallets quickly emptied.

This highly successful program christening also sent a strong message to the wine industry: Costco's Kirkland Signature label means memorable, super-premium to luxury wines. No bottom-of-the-barrel plonk, commonly chosen for house brands, allowed. And the prices are impressively low.

Now, three years later, the Kirkland Signature wine list reads like a who's who of Old World and New World treasures.

Old World wines come mainly from European winegrowing regions, which means they are under European Union (EU) regulations. The EU controls nearly everything, from the place of origin to grape varieties (varietals) planted, cultivation (viticulture) and winemaking techniques (vinification).

Emphasis is put on the place of origin and *terroir*. Loosely translated from French, *terroir* means "sense of place," the recognition that local environmental influences pass on unique characteristics to wines.

Old World wines selected for Kirkland Signature status include numerous offerings from Bordeaux's famous St.-Émilion region, where Merlots thrive in the clay soils, and from the storied Margaux and

Pauillac regions, where gravelly topsoil produces Cabernets. A soft, plush red from Burgundy and a complex Châteauneuf-du-Pape from the Rhône Valley have also made the Costco list.

New World wine countries include the United States, Australia and New Zealand. Different winemaking rules apply. Grape varieties, rather than place of origin, are emphasized. Unlike with most Old World wines, varietals' names are allowed on the label (as long as the winery meets the percentage of varietal required in the blend). And regulations regarding planting varietals in the various vineyards are nonexistent.

Kirkland Signature New World wines have included a beautiful aromatic Sauvignon Blanc from New Zealand's Marlborough region and a single-vineyard Shiraz-Cabernet from Barossa Valley, which flew out of the warehouses. The United States has also been represented, with a delicious Cabernet from Alexander Valley in Sonoma, a big, bold Cabernet from the heart of Napa Valley's Oakville wine region and a wonderful Pinot Noir from Oregon.

Always curious, I tracked down Costco's national director of wine, spirits and beer, Annette Alvarez-Peters, to hear more about this gem of the Costco private-label program

Costco's fall lineup of Kirkland Signature wines, at left, includes a tawny port from Portugal, an Oregon Pinot Noir, a French Brut Champagne and a Super Tuscan from Italy.



and to gather information on the fall lineup.

I learn Kirkland Signature wines are either special blends or existing blends produced for Costco by highly respected vintners. Only small lots of about 2,000 cases are produced and rotated among warehouses. Repeats are not possible, so when a specific wine is sold out, it is gone forever.

All Kirkland Signature wines are ready to enjoy immediately, although the reds can be aged if stored properly. White wines and non-vintage Champagne are made to be drunk young—within one to two years.

Annette's passion for the program is written all over her face as she emphatically notes, "I no longer call this a program but a series since we are offering so many collectible wines. All wines selected for the series must represent true expressions of their origins, embody the best of a wine region, come from leading varietals and exceed member expectations. We want treasures."

When asked about value, she responds, "All Kirkland Signature wines are excellent and show at least a 20 percent savings when compared to those of similar stature. We have sold Kirkland Signature wines from \$9.89 to a high of \$37.99 for the 2000 Brunello di Montalcino, which sold everywhere else for \$50 or more per bottle."

The wines are intentionally staggered throughout the year. In the summer look for lighter wines, in the winter heartier ones and during the holidays special treats, such as Kirkland Signature French Brut Champagne and, new for 2006, aged tawny port.

Until recently, wineries involved in the Kirkland Signature program requested anonymity. But, as of this fall, times are changing.

Costco's new Kirkland Signature 10-Year-Old Tawny Port is made by Fonseca Guimaraens. Port aficionados will instantly recognize this 184-year-old winemaking family—they are one of only a handful of true Portuguese port producers.

The blend is selected from grade-A grapes (the highest possible designation) slowly aged in old oak casks for 10 years. Kirkland Signature Tawny Port speaks of a sweetly mellow yet rich character. Arrival date is November 1, with savings of more than 40 percent at \$16.99 (except in Ohio and Puerto Rico).

The Kirkland Signature 2005 Oregon Pinot Noir arrived in warehouses last month and is selling at just \$13.99 (except in Ohio and Puerto Rico). It is vinted (blended) and bottled by Winery Exchange in Newburg, Oregon.

Nancy Walker, the winemaker of this Costco wine, follows "her" Kirkland Signature wine (yes, she is very possessive of this Pinot Noir) from grape to

Kirkland Signature vs. the competition

	Price	Savings
Kirkland Signature Champagne	\$19.99*	
National Brand A	\$38.99	49%
National Brand B	\$35.99	44%
Kirkland Signature Super Tuscan	\$19.99*	
National Brand A	\$43.99	55%
National Brand B	\$26.99	26%

Prices and savings are based on a survey taken on the Internet in July 2006.

*Except in Ohio and Puerto Rico



bottle. She personally performs all blendings. The grapes come from 10 small family-owned operations scattered in Oregon's Willamette Valley and in the Applegate Valley, a sub-appellation located within the nearby Rogue Valley.

Non-vintage Kirkland Signature French Brut Champagne reappears this month. Priced the same as last year, it offers savings of 44 percent. The producer, Roland de Bruyne, says, "This wine has one-third Grand Cru plus Premier Cru grapes ... this is almost unheard of and makes for an amazing Champagne."

True Champagne is produced only in Champagne, France, under strictly regulated methods. Costco was awarded the use of the name Champagne in 2005 by France's controlling body, the Comité Interprofessionnel du Vin de Champagne—meaning that Kirkland Signature Champagne makes the grade.

A 2003 Kirkland Signature Super Tuscan from Italy's beautiful Tuscany region also arrived in warehouses last month. In a move similar to Costco's pioneering decision to offer super-premium private-label wines, a small group of Italian wine producers in the late 1970s began making wine using new (French) grape varieties and methods. These Super Tuscan wines are now some of the finest wines made in Italy.

As I see it, every glass from Costco's Kirkland Signature wine series tells a remarkable story. I can hardly wait for the next installment. *Salud.* ☐

The Costco Connection

Costco warehouses feature a variety of books and other items to help members enjoy wine to the fullest, including *Wine, Food & Friends*, by Karen MacNeil (author of *The Wine Bible*); The Portable Wine Tour, a box filled with information on wines; and beautiful, high-end Kirkland Signature all-purpose, made-in-Austria, 24 percent leaded crystal wine stems at eight for \$29.99.

Also, costco.com offers many fine wines, including Kirkland Signature releases; wine cellars, with 32- to 450-bottle units as well as customize-your-own models; and many other wine-related items.

MERCHANT CREDIT CARD PROCESSING

Are rates and fees taking more of every sale?

Costco has teamed up with NOVA Information Systems, one of the largest credit-card processors in the industry, to provide Costco members with excellent service, low rates and no hidden fees.

The \$25 application fee and a \$4.95 monthly statement fee are waived for Costco Executive Members.

Electronic check conversion is also available.

1.64%*

Plus 20¢ per card-swiped transaction for retail-classified merchants.

1.99%*

Plus 27¢ per transaction for mail-order, phone-order and Internet classified merchants.

TAKE CREDIT FOR LESS.

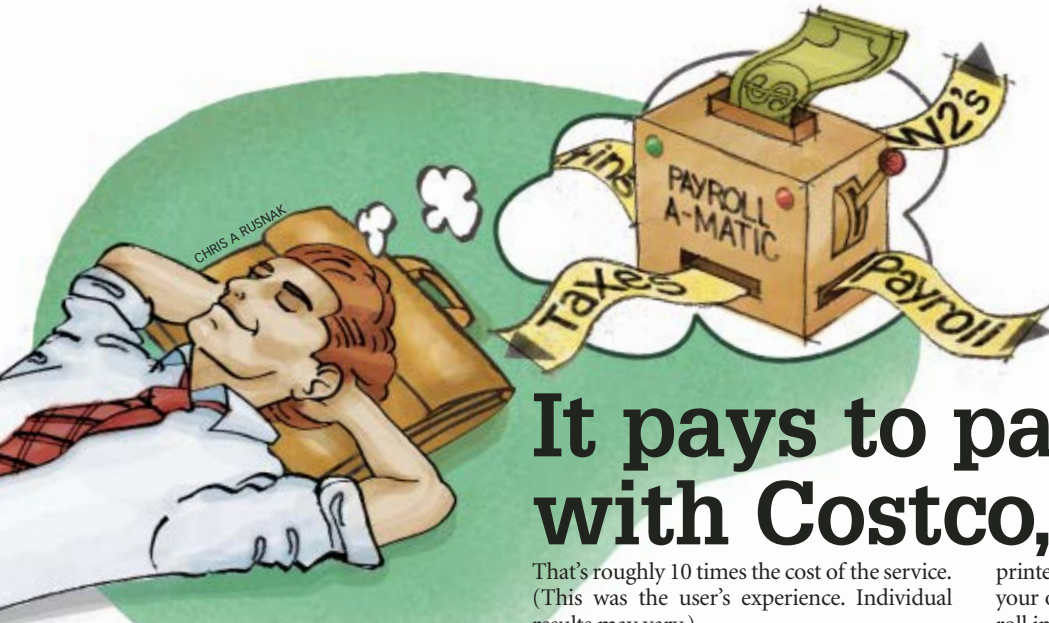


CALL 1-800-848-6706 AND REFER TO PRIORITY CODE 83210, OR VISIT **COSTCO.COM** AND CLICK ON SERVICES.

*Visa/MasterCard service is sponsored through U.S. Bank. Rates listed are for qualified transactions. Reward cards process at a higher rate. Contact NOVA for details. A monthly minimum charge applies when qualified transaction fees and per-item charges are less than \$20 per month. Annual interchange or assessment increases by Visa or MasterCard may affect these rates. Rates and fees may change without notice. Rate and acceptance are subject to underwriting. Call NOVA at 1-800-848-6706 for all terms and conditions. 06EX1305 10/06

NOVA
INFORMATION SYSTEMS®

COSTCO
WHOLESALE



It pays to payroll with Costco, Intuit

That's roughly 10 times the cost of the service. (This was the user's experience. Individual results may vary.)

Costco has teamed up with Intuit (the makers of QuickBooks®) to provide two payroll solutions to meet the needs of Costco members. Here's a look.

■ QuickBooks® Assisted Payroll (as low as \$59 per month) enables you to process payroll in QuickBooks and lets Intuit handle your payroll taxes. Federal and state tax deposits and filings are done for you. You enter information directly through QuickBooks and get customized payroll reports, including detailed job-costing analysis.

■ Intuit® Payroll Services Complete Payroll (as low as \$75 per month) is a comprehensive solution that works with or without QuickBooks. Federal, state and local tax deposits and filings are done for you. Paychecks are

printed and delivered to you, or you can print your own. And you can enter and access payroll information from multiple locations.

Each provides prompt and courteous service and support and a "no-penalties" guarantee: If the data supplied are accurate and on time and the account is sufficiently funded, the payroll tax-deposit filings are guaranteed to be accurate and on time or Intuit will pay the resulting tax penalty.

Intuit's payroll services offer Costco members assistance at an exclusive price. Executive members are eligible for additional benefits.

With a new year just around the corner, now is a good time to see if a payroll service is right for your business. For more information, call toll-free 1-866-297-7900 and mention source code C40021. Or visit costco.com and click on "Services," then "Payroll Processing."—Steve Fisher

WHEN ANDY Bremmeyer started Wedgwood Architectural Services in Vancouver, Washington, two years ago, he didn't anticipate how much time processing the payroll would take, even with only two employees. An accountant suggested he try a payroll service, and Bremmeyer happened to notice a brochure for Intuit® Payroll Services on a trip to Costco.

Now, Bremmeyer says, the service is saving him four to eight hours of work each month. "Multiply that by the rate I make and I'm saving about \$600 a month," he says.

Connecting

QuickBooks is available at Costco warehouses and costco.com.

Small-business health insurance by the letters

TALK TO ANY small-business owner and you'll learn that providing health insurance to employees can be a daunting task in myriad ways. Challenges include finding a program that is affordable, will cover a small number of employees and will serve the needs of owners and employees alike. Then there's the confusing alphabet soup inherent in health plans—HMO, PPO, COBRA. It's enough to trigger a migraine.

As part of its suite of business services, Costco has negotiated competitive rates for its Small-Business Health Insurance plan with partners in California, Hawaii, Nevada, Oregon and Washington. The plan features a comprehensive network of hospitals and physicians meeting industry-high standards of service and care. Recently, dental coverage and High Deductible Health Plans (HDHP) were added to the options.

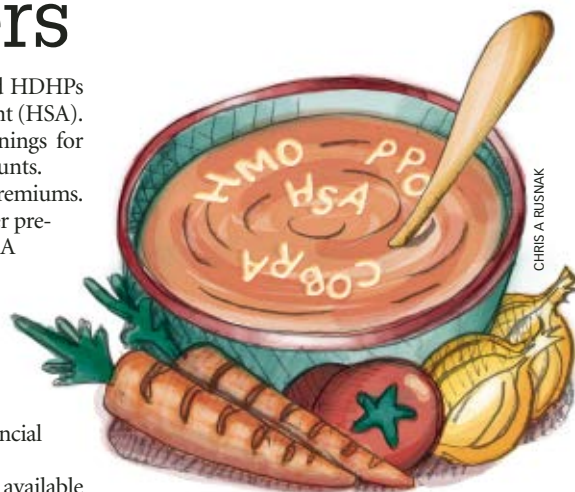
HDHPs are worth considering for business owners who'd like to offer creative options to employees in terms of health-care

costs. Individuals who have qualified HDHPs can establish a Health Savings Account (HSA). Employees can set aside pretax earnings for future medical needs into these accounts.

HDHPs typically have lower premiums. "The savings generated by those lower premiums can be contributed to the HSA to cover future health-related expenses," explains John Conlon, director of insurance services at Costco. "Members also have the option of investing HSA funds in stocks, bonds or a money market account, creating a boon to one's financial as well as physical health."

Health and dental insurance is available to Costco Executive Members in California, Hawaii, Nevada, Oregon and Washington only. Group eligibility may be dependent upon state-specific underwriting guidelines that may include the number of employees, industry and geographic limitations.

For more information, call toll-free



1-800-611-9056 Monday through Friday, or go to costco.com and click on "Services," then "Services for Your Business" and "Health & Dental Insurance." Choose your state and follow the instructions to obtain an online quote.—SF

shop costco.com

for thousands of items you won't find in your local Costco.

ENJOY EXCLUSIVE ONLINE OFFERS BY EMAIL

COSTCO WILL NOT SELL OR RENT YOUR EMAIL ADDRESS TO ANY OTHER PARTY

WHAT YOU'LL GET:

- SPECIAL PROMOTIONS EXCLUSIVE TO EMAIL
- BUYERS' PICKS & WEEKLY HOT BUYS
- SEASONAL SUGGESTIONS
- GIFT IDEAS FOR HOLIDAYS & OCCASIONS
- WAREHOUSE ANNOUNCEMENTS & EVENTS

SIGN UP TODAY!

Visit costco.com and enter your email address.

your email address

GO



Samsung 50" Plasma HDTV Resolution: 1,366 x 768, contrast: 10,000:1.
\$2,699.00 #122341 Plus shipping and handling. Costco.com only



Ion Turntable with USB Record Convert your old vinyl collection to CD or MP3. **\$139.99 Delivered** #138540 Costco.com only

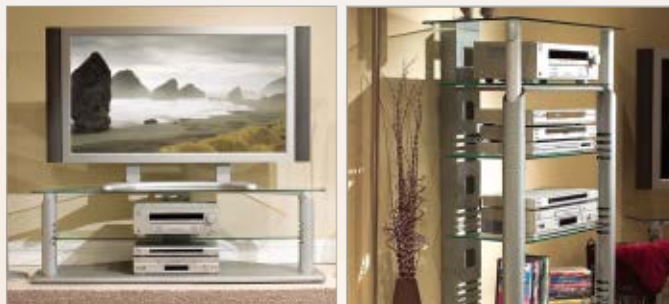
Pioneer
sound. vision. soul



SATELLITE
RADIO



Pioneer Inno Portable XM Satellite Radio and 1GB MP3 Player
#109561 Plus shipping and handling. Costco.com only



Nexus Steel and Glass Flat-TV Stand OR Audio/Video Rack
\$189.99 Delivered After \$50 OFF #202919, 100597
Valid 10/01/06 - 10/31/06 Costco.com only

Sign up on costco.com to receive offers by email.



Costco.com only

NovaForm™ ComfortLuxe™ Luxury Queen Mattress

Queen \$749.99 Delivered After \$150 OFF

King/Cal King \$849.99 Delivered After \$150 OFF

Twin and Full also available. #11168623 Valid 10/01/06 – 10/15/06



Cameron 3-Piece Bedroom Collection Set includes twin bed with trundle, dresser and nightstand. **\$1,249.99 Delivered After \$250 OFF**

#11066497 Valid 10/01/06 – 10/31/06

Costco.com only



Wesley 6-Piece Bedroom Set Includes bed, 2 nightstands, dresser, mirror & chest.

Queen \$3,699.99 Delivered After \$300 OFF

King/Cal King \$3,899.99 Delivered After \$300 OFF

#11168573 Valid 10/01/06 – 10/31/06

Costco.com only



Surrey 5-Piece Dining Set Set includes table and 4 chairs.

\$1,199.99 Delivered After \$400 OFF #11168574

Valid 10/01/06 – 10/31/06

Costco.com only



Grand Canyon Leather Collection Includes sofa, loveseat, chair and ottoman.

\$2,999.99 Delivered After \$800 OFF #11170241 Valid 10/01/06 – 10/31/06

Costco.com only



Ventura 4-Piece Leather Collection Includes sofa, 2 chairs and cocktail ottoman.

\$2,799.99 Delivered After \$700 OFF #11170309 Valid 10/01/06 – 10/31/06

Costco.com only

shop costco.com

for thousands of items you won't find in your local Costco.

Suzuki Pianos
GRANDS • PLAYERS • UPRIGHTS • DIGITALS
Huge Selection at
costco.com!



Costco.com only



Belmont Pool Table Collection II Includes pool table, pub table & 4 chairs and wall rack. **\$400 OFF** #133285 Valid 9/29/06 – 10/22/06
Shipping and professional pool table installation included. Costco.com only



Danze Anu Pull-Out Kitchen Faucet Stainless steel finish.
\$149.99 Delivered After \$30 OFF #134194 Valid 10/01/06 – 10/31/06
Costco.com only



Kindred Stainless Steel Sink Grid included.
\$319.99 Delivered After \$40 OFF #134188
Valid 10/01/06 – 10/31/06 Costco.com only

Hunter Lighting Group Mission Table Fountain 19" H x 10" W.
\$69.99 Delivered After \$20 OFF #136084



Hunter Lighting Group Stone Ridge Floor Fountain 48" H x 17" W.
\$199.99 Delivered After \$60 OFF #136055



Hunter Lighting Group 6-Light Twigs Chandelier #136078
Shipping and handling included.



Offers valid 10/01/06 – 10/31/06 Costco.com only

IRONMAN Fitness




IRONMAN Legacy TV Treadmill **\$1,399.99 Delivered** #131745
IRONMAN Achiever Elliptical **\$1,499.99 Delivered** #133090
Costco.com only

Sign up on costco.com to receive offers by email.



Natural Stone Pond and Waterfall Kit **\$799.99 Delivered** #121538
Also Available: Pondless Kit

Costco.com only



Costco.com only

Malibu 5-Piece Indoor/Outdoor Timer Kit **\$15 OFF Reflected in Price** #135991 Valid 10/01/06 – 10/31/06 Shipping and handling included.



Fiesta & Siesta 8-Piece Set **\$1,799.99 Delivered After \$600 OFF** #113938 Valid 10/01/06 – 10/31/06

Costco.com only



ETL SecureLogic® Mail Vault™ **\$159.99 Delivered After \$40 OFF** #11097933 Valid 10/01/06 – 10/31/06

Costco.com only



Garmin C320 GPS **\$50 OFF** #903808

Valid 10/01/06 – 10/31/06 Plus shipping and handling.

Costco.com only



Lifetime Brighton 8' x 10' Shed **\$999.99 Delivered After \$150 OFF** #135012

Valid 10/01/06 – 10/31/06

Costco.com only

shop costco.com

for thousands of items you won't find in your local Costco.

INTRODUCING COSTCO.COM'S NEW BUSINESS PRODUCTS PROGRAM

IN JUST A FEW CLICKS...YOUR BUSINESS SHOPPING IS DONE!

1. SHOP Go to **costco.com**. In the red **Shop for Business Products** box, click commercial or residential and then enter your delivery **zip code** and click "GO". Then either:

- A.** Enter a product in the **search** text box and click "GO".
B. OR, locate your desired product by selecting a product category from the left hand navigation list. Navigate through the subcategories to find your desired product. Enter your desired quantity in the box and select **add to cart**.

2. LOG IN When you add an item to your cart, you will be prompted to log in. If you've previously shopped **costco.com**, just log in; otherwise, follow the **New Registration** process.

3. CHECK OUT When you are finished shopping, click "CHECK OUT". You will be asked to review the items in your cart and provide the delivery address. Click the "complete purchase" button...that's it! You will receive an order confirmation via email immediately. When your order ships, you will receive another email verifying the actual ship date. The email will include instructions on how you can track the shipment of your order online.

**GO TO COSTCO.COM
AND ORDER YOUR
BUSINESS PRODUCTS
CATALOG TODAY!**



Brother MFC-5840CN Color Network-Ready Inkjet Multi-Function Center **\$99.99 Delivered After \$40 OFF and \$30 Rebate**

#818106 Valid 10/02/06 - 10/18/06

Costco.com only



Brother MFC-7820N Monochrome Network-Ready Laser Multi-Function Center **\$209.99 Delivered After \$20 OFF and \$50 Rebate**

#894938 Valid 10/02/06 - 10/18/06

Costco.com only



Brother MFC-9420CN Color Network-Ready Laser Multi-Function Center **\$549.99 Delivered After \$100 OFF and \$50 Rebate**

#959945 Valid 10/09/06 - 10/15/06

Costco.com only



Brother HL-2070N Monochrome Network-Ready Laser Printer **\$79.99 Delivered After \$60 OFF** #883905

Valid 10/09/06 - 10/15/06

Costco.com only

Sign up on costco.com to receive offers by email.

SHOP FOR
BUSINESS
PRODUCTS



- ☐ commercial delivery
- ☐ residential delivery

zip code

GO

COSTCO
COM

Q-See



Monitoring System with 17" TFT Screen With built-in 160GB DVR and 4 outdoor cameras. #131961
Costco.com only



Costco.com only

Kingston Technology Digital Memory Cards Up to \$18 OFF
*Search: Kingston1 Valid 10/01/06 – 10/31/06 Plus shipping and handling.



Icon
TIME SYSTEMS

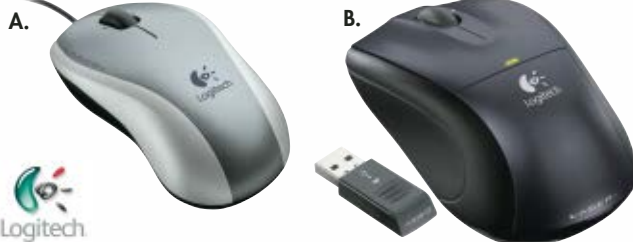
Warehouse or Costco.com

Icon Time Systems® SB-100™ Employee Time Clock \$239.99 Delivered
For other Icon Time Systems clocks, *search: IconTime #798099

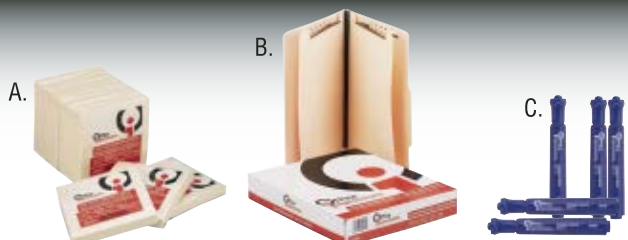


Royal EX315W Electronic Shipping Scale \$59.99 Delivered #982545
Costco.com only

REDEFINES MOBILE PERFORMANCE WITH PRECISION LASER TRACKING



A. V150 Laser Mouse for Notebooks #118210
B. V450 Laser Cordless Mouse for Notebooks #117482 Costco.com only



A. Office Impressions #OFF82327 • Stick-it Notes 3"x 3" Yellow, 12 Pads • \$ 2.94
B. Office Impressions #OFF82008 • 6 Section Classification Folder, 15 per box • \$ 22.23
C. Office Impressions #OFF82442 • Blue Chisel Tip Permanent Marker, Dozen • \$ 2.33

Shipping and handling included



Or **Upgrade**
to 2GB memory on M2010**

Valid 10/13/06 – 10/29/06 *Search: DellOCT

Costco.com only



HDTV
HIGH-DEFINITION TELEVISION

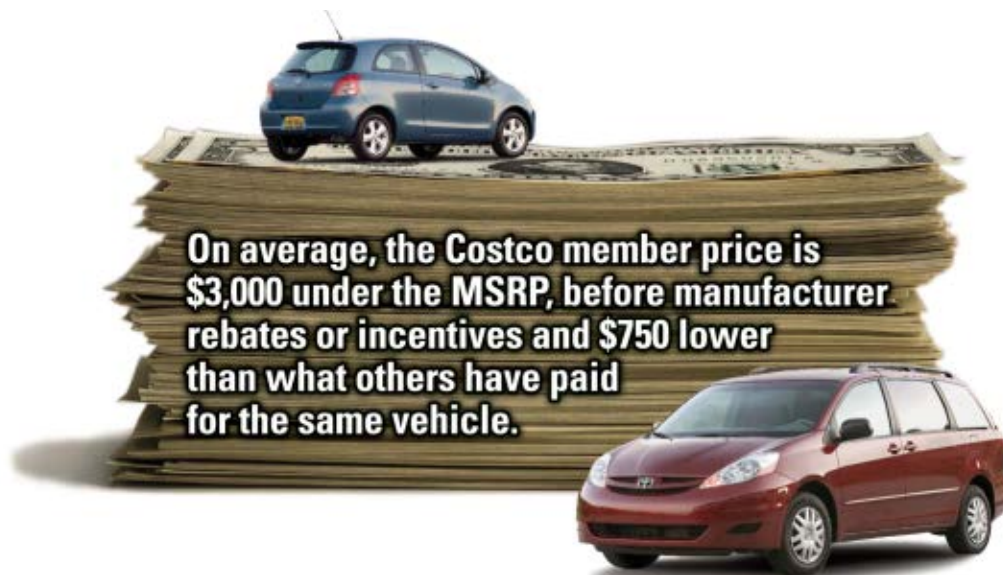
ViewSonic

ViewSonic 40" HDTV LCD TV Resolution: 1,366 x 768, contrast ratio: 1,000:1. **\$1,399.99 Delivered After \$100 Rebate**
#124744 Valid 10/09/06 – 10/22/06
Costco.com only

Price and availability are subject to change without notice. Products may include a shipping and handling charge. For details, visit the product page on www.costco.com. Most online coupons at www.costco.com are manufacturers' coupons. State sales tax may be due on the prediscounted price of the item when purchased using an online coupon. These taxes, if any, are in addition to the amount that you are paying for the product. Prices, specifications, availability and terms of offers are subject to change without notice. Taxes and shipping charges are extra, and vary. *Using the product search box located at www.costco.com, please enter the provided search phrase to find the product(s).

2006 COSTCO.COM

No matter how you stack it, members save on new vehicles.



On average, the Costco member price is \$3,000 under the MSRP, before manufacturer rebates or incentives and \$750 lower than what others have paid for the same vehicle.

Choose your number: \$3,000 or \$750, or even more! Many new vehicle buyers still determine a "good deal" by comparing what they are paying for a new vehicle to the Manufacturer's Suggested Retail Price (MSRP). Using this formula, you'll find **Costco members are paying, on average, \$3,000 under MSRP for a new car, truck or SUV.** And that's before any rebates or incentives, so they could save even more.

If you take this one step further and compare the Costco prearranged price to the price others are paying for the same vehicles – you'll find **Costco members, on average, are paying \$750 less than what the general public pays.**

How do we know this? We took the average purchase price, also called the selling-transaction price, from a popular automotive Web


site (widely available to the public) and compared it to the Costco Auto Program's prearranged, no-haggle member pricing for the vehicles most requested by Costco members in the last year. And because this Web site includes regional price variances, as well as any manufacturer-to-dealer price incentives in its reported average selling-transaction price, it provides an accurate comparison. The results show the Costco member price is, on average, \$750 lower than the average sales transaction price – meaning Costco members enjoy the advantage of exclusive pricing that's significantly lower than what others have paid for the same vehicle.

As an example, here's a price comparison done in early August 2006 on a seven-passenger Toyota Sienna LE with an automatic transmission, floor mats and LE Package No. 6. In the Southern California market, the vehicle's MSRP was \$30,909. During this period, the Web site reported that the average selling-transaction price for this Sienna LE was \$27,968, before taxes and fees. At the same time, a Costco Auto Program dealer (in the same region) had a prearranged Costco member price of \$27,210, before taxes and fees. That's \$758 lower than the average selling-transaction price and \$3,699 off MSRP.

So before you purchase or lease your next new car, truck or SUV, find out why so many members say, "This is the only way to buy a new vehicle." Pick your vehicle – then pick the number you'll be happiest bragging about – \$3,000 or \$750.



COSTCO
AUTO PROGRAM

Visit **costco.com**, click on Services, then on Auto Buying, or call us at 1-800-800-9288 to learn more. 

Treat Yourself.
You could save money by switching your **auto insurance**.



By switching to Ameriprise Auto & Home Insurance, you could carve out a savings of up to \$400* in your first year alone.

DON'T BE SCARED. CALL 1-888-404-5365 OR VISIT **COSTCO.COM**, AND CLICK ON SERVICES, THEN ON AUTO & HOME INSURANCE, AND MENTION REFERENCE NUMBER **8C2-10**.



Executive Members receive free roadside assistance on vehicles covered through the program and lifetime renewability on auto policies.**

Auto & Home Insurance is underwritten by Ameriprise Insurance Company, AMEX Assurance Company or IDS Property Casualty Insurance Company, De Pere, WI. Each company is a wholly owned subsidiary of Ameriprise Financial, Inc., independent of American Express. Discounts and savings vary by state and apply to certain coverages. The Costco Auto & Home Insurance program is not available in AK, LA, ME, MA, MT, NH, ND, RI, VT, WV, WY and Puerto Rico. The Costco Home Insurance program is not currently available in Florida and Kentucky. Subject to meeting applicable underwriting criteria. Certain restrictions and limitations apply. Services may vary by region or state. Ameriprise Auto & Home Insurance's California License Number is 0C41813. Costco Insurance Agency, Inc.'s California License Number is 0D08407. See costco.com for more information.

* This data represents information provided by Costco members who became new auto insurance policyholders and reported savings with Ameriprise Auto & Home Insurance between 12/1/05 and 5/31/06. Individual savings and experience may vary based upon a variety of factors including, but not limited to, driving experience and type of automobile insured.

**Lifetime renewability is not available to insureds who have major violations, suspension or revocation of driver's license, fail to pay premium, move to a state where Ameriprise Auto & Home Insurance products are not available, or purchase a vehicle they do not insure.

06EX1302 8/06

ShareBuilder Online Investing— simple, affordable, automatic

Costco members receive a \$55 account bonus.*

Dollar-based investing

Invest any dollar amount in the stocks you want (select from more than 6,000 stocks).

No account minimums

No account or investment minimums to get started and no inactivity fees.

Automatic investment

Set up a weekly or a monthly plan and build shares over time.

Getting started is easy. Visit costco.com and click on Services.

* Offer is valid only for current Costco members who open a new account and execute a transaction in their newly opened account. Offer not valid with Individual Retirement Accounts or Education Savings Accounts. The \$55 account bonus will be deposited in your account approximately 4 to 6 weeks after the first transaction has occurred. Offer subject to change without notice. ShareBuilder is offered through ShareBuilder Securities Corporation, Member NASD/SIPC. ShareBuilder Securities Corporation is a registered broker/dealer that is not affiliated with Costco. Costco is not a broker/dealer and is not a member of any stock exchange or SIPC and is not facilitating your investment in Costco or other companies.

Terms and conditions apply. See costco.com, click on Services, then on ShareBuilder Online Investing for a full fee schedule and applicable terms and conditions.

06EX1312 8/06

Upload & Print Digital Photos

Go to costco.com and click on Photo Center.

Pick up high-quality prints in as little as 1 hour.



1 UPLOAD



2 ORDER



3 PICK UP

- Convenient, high-quality, long-lasting prints
- Enhanced editing options like cropping and red-eye reduction
- Choice of glossy or lustre prints
- Create greeting cards, gifts and more
- Share your photo albums with friends online.

Archive your Photos on a Gold CD

- Protect your photos, from digital media or film, on a Gold CD – a high-quality archive CD designed to protect your photos for 300 years.
- A great way to turn your film into digital photos.
- Free software for viewing, editing, organizing and ordering prints included.



inside
costco

Tidings of value and joy

Holiday greetings say more with photos

WHETHER YOU'RE A returning veteran of the holiday greeting card program at Costco's 1-Hour Photo lab or a first-time user, this year there's a major enhancement to this holiday tradition: All of the card designs are brand-new.

The 35 basic card choices in the program—all illustrated on the convenient order form—have been totally redesigned. And to make the selection even more special, there's a new attraction: 10 additional card designs that feature many favorite Disney characters.

If you've ordered these holiday cards before, you already know just how simple the process is. Before submitting the order, there are four important decisions to make.

- Pick a favorite photo to use—some subject that will be fun to share with friends and family. The card layouts accommodate horizontal or vertical photo orientation.
- Select a design and sentiment from the 45 options on the holiday greeting card order form, available at every 1-Hour Photo counter.
- Decide on a personal message that you can add for free (up to three lines, a maximum of 60 characters, including spaces and punctuation).
- Determine the number of cards you want to order. An order consists of 50 cards and envelopes. Additional sets of 25 cards and envelopes are available for an extra charge at the time of the original order.

Easy to order

There are two ways to place your order: in person at a 1-Hour Photo lab in any warehouse, or online at the costco.com Photo Center.

When placing an order at 1-Hour Photo,

include a 35 mm negative or APS cartridge with the holiday greeting card order form. To order with a digital photo, bring it on a CD or media card when placing the order.

Orders are ready for pickup on the next business day. 1-Hour Photo technicians can give you more details on the service schedule. Your completed order will be in the self-service pickup area in the warehouse.

Convenient online option

For costco.com Photo Center orders, you submit your order electronically.

From the costco.com home page, click on "Photo Center."

The next screen will ask you to log on with your user name and password, or to open a new account if you haven't used the Photo Center before.

Follow the prompts for uploading your photos to a Photo Center album, then go to the "Products" tab and select "Photo Cards."

All of the holiday card options will appear on the next screen. Designate which photo from your album should be used, and select horizontal or

vertical orientation.

At checkout, specify quantity (the extra 25 cards are a good value) and designate the warehouse where you'll be picking up your order. The completed order will be available at the 1-Hour Photo counter. (To help with service scheduling, there is a range of pickup times for you to select from.)

Veterans of this holiday card program already know how special these personally crafted cards are in delivering a seasonal message. Join them by making this a holiday tradition for you and your family.—David Wight



Receive your member
discount and take an extra
\$20 OFF
a weekly rental

when you present this
coupon at time of rental

Offer valid on intermediate and full-size
cars. Rental must begin by 3/31/2007.

Mention BCD# W852811
and CPN# MUGZ613

For information and reservations, book
online at costco.com or call Costco
Travel toll free 1-877-849-2730.

Please present your Costco membership
card at time of rental.



Terms and Conditions

Coupon valid on an intermediate (group C) through a full-size four-door (group E) car. Dollars off applies to the time and mileage charges only on a minimum five-day rental period. Taxes, concession recovery fees, vehicle license recovery fee, customer facility charges (\$10/contract in CA) and fuel charges are extra. Optional items such as LDW (\$22.95/day or less) and other surcharges may apply and are extra. **This offer serves as your coupon. Coupon must be surrendered at time of rental; one coupon per rental. An advance reservation is required.** May not be used in conjunction with any other coupon, promotion or offer, except your member discount. **Coupon valid at participating Budget locations in the contiguous U.S.** Offer subject to vehicle availability at time of rental and may not be available on some rates at some times. For reservations made on costco.com, dollars off will be applied at time of rental, subject to vehicle availability. Renter must meet Budget age, driver and credit requirements. Minimum age may vary by location. An additional daily surcharge may apply for renters under 25 years old. Rental must begin by 3/31/2007.

FOR BUDGET CSR USE ONLY:

In CPN, enter MUGZ613 • In BCD, enter W852811

Complete this information at checkout:

RA#

Operator ID:

Rental Location

BCD#

Attach to COUPON tape. • COUPON# MUGZ613

©2006 Budget Rent A Car System, Inc. A global system of corporate- and licensee-owned locations. Budget features Ford, Lincoln and Mercury products. Costco Travel is a registered seller of travel and travel agency in the following states: Washington (WST 602042600), Ohio (8789302), Florida (Fla. Seller of Travel Reg. No. ST32555) and California (CST 2054248-50). Registration as a seller of travel does not constitute approval by the state of California.

06TR1302-A 10/06

What's new

Exciting products coming soon



Outdoor Holiday

Ornaments: This set of five large shatter-resistant ornaments features five different ornament designs and can be used outside the home or inside. Item #105005

WAREHOUSE ONLY



ToughBuilt 10-Piece Carpenter Belt

Constructed of 1200-denier nylon and reinforced with PVC and rivets, this organizing tool-pouch system allows you to swap out tool pouches to fit any job. All pouches included will clip onto the belt. Other features include modular hammer loop, two fastener pouches with tabs and a personal pouch. Item #108000

WAREHOUSE ONLY

Springmaid Susan G. Komen

Down-Alternative Throw This 50" x 58" throw is constructed with microvelour reversing to brushed polyester. A portion of the proceeds is being donated to the Susan G. Komen Breast Cancer Foundation. Item #133515

COSTCO.COM ONLY



Madame Alexander Sweet Sara

This beautiful 18" Sweet Sara doll has stylish hair pulled back into pig-tails with pink bows; vinyl arms, legs and head; and a soft body. She wears an adorable bunny sweater and pink jumper and has a matching plush bunny. Item #111294

WAREHOUSE ONLY



X Blades Folding Utility Knife 5-Pack Each utility knife is lightweight, has an ergonomically shaped handle and features the Speedy-Change blade mechanism. Cuts cardboard, carpet and wallboard. Includes 10 blades per utility knife.

Item #706000 **WAREHOUSE ONLY**



Holiday Tower of Confections This seasonal item has become a member favorite; each holiday character tower is filled with holiday sweets and snacks. Item #471147

WAREHOUSE ONLY



Jona Michelle Girls' Holiday Dress Excellent for special occasions, this dress is available in six different styles as well as an array of colors and fabrics, all with built-in petticoats. Sizes: 2T-8. Item #166909
WAREHOUSE ONLY



Heather,
granddaughter of
Joe, Home Office



3-D Holographic Nutcracker Standing 5 feet tall and housing 500 bulbs, this nutcracker features a collapsible frame for easy assembly and storage. For indoor and outdoor use. Item #100512
WAREHOUSE ONLY

One-of-a-kind treehouse

IT'S NOT YOUR father's kind of treehouse—or yours. Tommy's Turbo Treehouse, complete with a slide, swing and balcony, is the first one that comes with its own tree.

"Daniels Wood Land Inc. has a great story to tell," says Costco buyer Dave Greek. "To build the treehouses, they use reclaimed roof shingles from old farm buildings as well as stumps that are gathered from old-growth trees that have been storm damaged and/or uprooted."

Each treehouse is unique. That's because no two tree stumps are exactly the same, and the roofing used from old barns varies from old-barn red to a natural weathered look. And each treehouse is created by hand, standing about 14 feet tall.

However, one of the real values of this product is the delivery process.

"It costs from \$1,500 to \$2,000 to deliver the units across the United States," Dave says. "But that is included in the price of the treehouse, \$8,999.99." The treehouse is delivered right to a member's address, although the member must make additional arrangements to have the unit offloaded and moved to the specific site where it will be installed. Item #119993 **COSTCO.COM ONLY**



What's new

Exciting products coming soon



Shortbread is long on flavor, quality

DURING THE 100-plus years they've been in business, Walkers has changed the family shortbread recipes only a few times. When they do it's typically to add more butter to their list of five ingredients—resulting in a delicate and crumbly shortbread that is so similar to homemade it's called Homebake.

Walkers has partnered with Costco to offer members melt-in-the-mouth Kirkland Signature™ Walkers shortbread. Exclusive to Costco, the tin of shortbread costs significantly less than what members would pay elsewhere.

Each tin contains 12 packs with four varieties of shortbread. They include Homebake shortbread fingers, rounds and triangles and Highlanders shortbread—a unique Walkers product that is rolled in Demerara sugar before baking. Item #181649

WAREHOUSE ONLY



Kirkland Signature Cream Puffs: Sold in an 8-pack, these cream puffs start off with a 3.5" all-butter cream-puff shell and then are filled with 4 ounces of Bavarian cream, a rich, whipped custard filling. Item #90564

WAREHOUSE ONLY

The Griddler by Cuisinart

This all-in-one unit is a contact grill, panini press and open grill. Featuring a brushed stainless steel housing, this grill also features removable and washable nonstick plates, dual temperature controls and a floating hinge that adjusts to food thickness or opens flat for a larger cooking surface. Item #921289

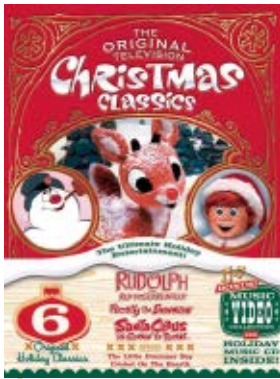
WAREHOUSE ONLY



Star Cut King Crab Legs and Claw

These crab legs and claw are cut along both sides of the shell by the patented Star Cut procedure for easy access to the meat. The 6-9-size legs and claw provide a truly generous amount of meat. Item #119581

COSTCO.COM ONLY



Ultimate Christmas Classics DVD

Collection The red-and-gold book-bound keepsake package includes *Rudolph the Red-Nosed Reindeer*, *Santa Claus Is Comin' to Town*, *Frosty the Snowman*, *Frosty Returns*, *Little Drummer Boy* and a bonus DVD featuring *Cricket on the Hearth*.

Item #132374 **WAREHOUSE ONLY**



Panasonic 50" Plasma HDTV The TH-50PX6U features deep blacks, bright whites, 29 million colors and a 10,000:1 contrast ratio for a strong, realistic TV image. This 16:9 wide-screen unit features built-in HD tuner, two HDMI inputs and V-Chip lockout. Item #125050
COSTCO.COM AND WAREHOUSE

Humphrey Bogart DVD

Collections I and II The key works of one of America's most well-known and respected actors are here. **Collection I:** *Casablanca* two-disc edition, *The Treasure of the Sierra Madre* two-disc edition, *They Drive by Night* and *High Sierra*. **Collection II:** *The Maltese Falcon* three-disc edition, *Across the Pacific*, *Action in the Atlantic*, *All Through the Night* and *Passage to Marseille*. Item #142365
WAREHOUSE ONLY



Still swinging after all these years

Swing-era crooner Tony Bennett's recently released *Tony Bennett Duets: An American Classic* features

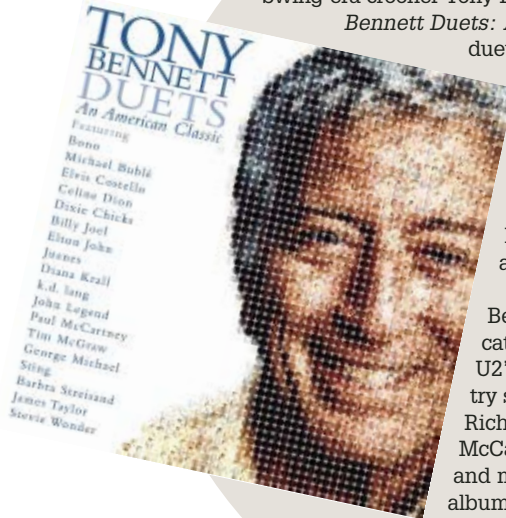
duets with artists that span the gamut of pop-music genres.

The CD coincides with the timeless Bennett's 80th birthday. He traveled between Capitol Studios in Los Angeles, Bennett Studios in Englewood, New Jersey, and Abbey Road Studios in London earlier this year to record with each artist in person.

The CD's 18 songs, each selected by Bennett, are integral titles from Bennett's hit catalog such as "I Wanna Be Around" (with U2's Bono), "Cold, Cold Heart" (with country sensation Tim McGraw) and "Rags to Riches" (with Elton John). Sting, Paul McCartney, James Taylor, Stevie Wonder and many other artists are on the album with Bennett.

The only vocal solo is Bennett performing his signature song, "I Left My Heart in San Francisco." Item #138564

WAREHOUSE ONLY



Daniel Boone DVD

Seasons I and II Fess Parker stars as Daniel Boone, America's first frontier hero, in the hit TV series from 1964–1970. The shows are digitally restored and remastered from their original TV presentation. Both discs include cast interviews and photo galleries. Item #140055
WAREHOUSE ONLY



Sarah McLachlan's

Wintersong CD This 12-song collection is McLachlan's first holiday album ever and her first studio recording in three years. Highlights include John Lennon's "Happy Xmas (War Is Over)," the brand-new title track, "Wintersong," and other holiday classics. Item #140066
WAREHOUSE ONLY

special events

OCTOBER 2006

New and exciting products available
at warehouses for a limited time only

Click [here](#) for a list of special events by region.

Assorted Decorative Glass

Each of these handmade, one-of-a-kind, mouth-blown pieces of art glass is signed by the artist.

Austrian Crystal and Gemstone Jewelry

Unique handmade jewelry combining Austrian crystal beads and sterling silver.

Deluxe Massage Chairs

King Kong Massage offers five different chairs with features such as kneading, tapping, rolling, and heat and vibration therapy.

Gemstone and Sterling Silver Jewelry An assortment of fine silver jewelry with semiprecious stones.

Handmade Serveware

Choose from an assortment of cast and polished plates and accessories.

Pianos See the latest in digital and player-piano technology as well as acoustic grand and upright pianos. A representative will be on hand to demonstrate these beautiful instruments.

where & when

MARYLAND

Frederick

Oct 27–Nov 5 Pianos

Gaithersburg

Oct 27–Nov 5 Austrian crystal and gemstone jewelry

NEW JERSEY

Brick Township

Oct 13–22 Austrian crystal and gemstone jewelry

Clifton

Oct 13–22 Gemstone and sterling silver jewelry

E Hanover

Oct 27–Nov 5 Austrian crystal and gemstone jewelry

Wharton

Oct 13–22 Austrian crystal and gemstone jewelry

NEW YORK

Commack

Oct 26–Nov 5 Austrian crystal and gemstone jewelry

Staten Island

Oct 26–Nov 6 Austrian crystal and gemstone jewelry

Westbury

Oct 13–22 Assorted decorative glass

PENNSYLVANIA

Harrisburg

Oct 12–22 Deluxe massage chairs

King of Prussia

Oct 26–Nov 5 Handmade serveware

VIRGINIA

Chantilly

Oct 12–22 Gemstone and sterling silver jewelry

Fredericksburg

Oct 13–22 Pianos

Leesburg

Oct 12–22 Gemstone and sterling silver jewelry

Manassas

Oct 26–Nov 6 Austrian crystal and gemstone jewelry

Newington

Oct 12–22 Handmade serveware

Newport News

Oct 13–22 Austrian crystal and gemstone jewelry

Pentagon City

Oct 13–22 Handmade serveware

West Henrico

Oct 13–22 Pianos

*Dates and events are
subject to change.*

Costco warehouse hours

Regular Hours

Monday–Friday 11am–8:30pm
Saturday 9:30am–6pm
Sunday 10am–6pm

Exclusive Executive and Business Members' Hour

Monday–Friday 10am–11am

costco.com

open 24 hours a day,
7 days a week



specialty services

Services offered at your
Costco warehouse

Services at all locations

Bakery, Deli/Produce, Food Court or Hot Dog Cart, Fresh Meat, 1-Hour Photo (APS, 35 mm and digital processing), Optical Dept., Pharmacy, Special Order Kiosk and Tire Center
Costco Auto Program. 1-800-800-9288; www.costcoauto.com
Costco Travel.* 1-877-849-2730
Member Services.* 1-800-220-6000
*Also available at costco.com

CONNECTICUT

	ATM	Costco.com Kiosk	Gas Station	Hearing Aids	Service Deli
Brookfield	•				•
Enfield	•		•	•	•
Milford	•		•	•	•
Norwalk	•				•
Waterbury	•		•	•	•

DELAWARE

Christiana	•			•	•
------------	---	--	--	---	---

MARYLAND

Arundel Mills			•	•	•
Beltsville	•		•	•	•
Frederick	•		•	•	•
Gaithersburg	•	•		•	•
Glen Burnie	•		•	•	•
White Marsh	•			•	•

MASSACHUSETTS

Avon	•				•
Danvers	•				•
Dedham	•				•
Everett	•				•
W Springfield	•				•
Waltham	•				•

NEW HAMPSHIRE

Nashua					•
--------	--	--	--	--	---

NEW JERSEY

Brick Township	•			•	•
Bridgewater	•			•	•
Clifton	•	•		•	•
E Hanover	•			•	•
Edison	•			•	•
Hackensack	•			•	•
Hazlet	•			•	•
Mount Laurel	•			•	•
Ocean Township	•	•		•	•
Union	•			•	•
Wayne	•			•	•
Wharton	•			•	•

NEW YORK

Brooklyn	•				•
Commack	•			•	•
Holbrook	•			•	•
Lawrence	•			•	•
Melville	•			•	•
Nanuet	•			•	•
Nesconset	•			•	•
New Rochelle	•			•	•
Port Chester	•			•	•
Queens	•			•	•
Staten Island	•		•	•	•
Westbury	•	•		•	•
Yonkers	•			•	•

PENNSYLVANIA

Cranberry	•		•	•	•
Harrisburg	•		•	•	•
King of Prussia	•			•	•
Lancaster	•		•	•	•
Montgomeryville	•		•	•	•
Robinson	•	•		•	•

VERMONT

Colchester	•				•
------------	---	--	--	--	---

VIRGINIA

Chantilly	•				•
Chesterfield	•				•
Fairfax	•			•	•
Fredericksburg	•		•	•	•
Harrisonburg	•		•	•	•
Leesburg	•		•	•	•
Manassas	•		•	•	•
Newington	•				•
Newport News	•		•	•	•
Norfolk	•		•	•	•
Pentagon City	•		•	•	•
Sterling	•	•	•	•	•
West Henrico	•		•	•	•
Winchester	•		•	•	•

MEMBER SERVICES

Update

Current news for Costco members

SERVICE UPDATES

Easy currency conversion

NOVA INFORMATION SYSTEMS, Costco's merchant credit-card processing provider, has introduced a new option for the service. Merchants can now use Dynamic Currency Conversion, converting international Visa and MasterCard credit-card purchases into the cardholder's home currency at the point of sale.

The benefits? International customers walk away from a transaction with a receipt showing exactly what they spent in their home currency, and the merchant receives a 1 percent rebate on the transaction. A definite win-win scenario.

To learn more about the Costco-NOVA program, call toll-free 1-888-337-1883 and mention source code 83105, or visit costco.com, click on "Services," then on "Merchant Credit Card Processing."

New Web look for online investing

SHAREBUILDER, provider of Costco's automatic online investing program, has just launched a new Web site focused on making it even easier for members to invest online. Enhancements include a simplified investing platform, streamlined account management system and more powerful research tools and resources.

Now members can also take advantage of market news, instant stock quotes and charts, analyst recommendations and a listing of the most actively traded stocks.

For more information, or to open an account, go to costco.com, click on "Services," then on "ShareBuilder Online Investing."

ShareBuilder is offered through ShareBuilder Securities Corporation, member NASD/SIPC, a subsidiary of ShareBuilder Corporation. ShareBuilder Securities Corporation is a registered broker/dealer that is not affiliated with Costco.



Don't forget to use your Reward on your next trip to Costco.

PRACTICAL TIP

Home equity alternatives

IF YOU'RE A HOMEOWNER, you can borrow against the value of your house through either a home equity line of credit (often called a HELOC or a line) or a home equity loan (often called a HEL or loan). Both are essentially a second mortgage.

Generally, a HELOC is a good choice to meet ongoing cash needs, such as college tuition payments or medical bills. A HEL is more suitable when you need money for a specific, one-time purpose, such as buying a car. Here's a look.

	Home Equity Line of Credit (HELOC)	Home Equity Loan (HEL)
What you get	Revolving credit with a specific credit limit of up to 100 percent of the value of a home (its value minus all debts against it). Some lenders allow borrowing up to 125 percent of the value of a home.	A fixed amount of money up to 100 percent of the equity in a home (its value minus all debts against it). Some lenders allow borrowing up to 125 percent of the value of a home.
How to qualify	Provide proof of income, home ownership, mortgage and amount of equity in the home. An appraisal is usually required.	Provide proof of income and home ownership, and proof that at least 20 percent of the value of the home is paid off. An appraisal is usually required.
How you repay it	Minimum payments (as little as interest only) each month; eventually the entire sum borrowed plus interest is repaid.	Fixed payments of interest and principal over a fixed period of time.
How long it lasts	You have a 10- to 20-year period when you can draw on the line (up to the credit limit), after which you have a fixed period to pay off the outstanding balance plus interest.	The term of the mortgage can be as short as a year or as long as 30 years.
Costs and fees	Usually no closing costs, but may have an annual fee.	Closing costs that are lower than for a first mortgage.
How you receive the money	Draw funds as needed using special checks or a credit card.	Receive one up-front lump sum.

ALSO:

See the payroll processing and health insurance articles on page 51.

LendingTree's Home Equity Financing program for Costco members offers HELOCs and HELs with great rates for Costco members and a Costco Cash Card (\$100 for Executive Members, \$50 for Gold Star/Business members) after closing. To find out more, go to costco.com, click on "Services," then on "Home Equity Financing," or call toll-free 1-800-496-8733.

To learn more about our complete suite of member services, click on the "Services" link at costco.com or call 1-800-220-6000.

All services are provided by third parties, may not be available in all areas and are subject to change without notice. Some restrictions apply. See "Services" at costco.com for applicable terms and conditions.



Richard and Jan Strelak use actors and special effects to scare the day-lights out of visitors to their haunted houses in Las Vegas.

Scaring up business

WALK INTO THE lobby of the hotel and the lights go out. Then you hear deafening thunder as a lightning bolt flashes. A fear-stricken bellhop appears, explaining that you are not supposed to be there. Mortimer, the criminally insane former hotel owner, is looking for you. A zombie pops up out of nowhere as you and the bellhop search for the sanctuary of Room 13, the only room Mortimer is afraid to enter. You have wandered into Hotel Fear, a Las Vegas-based haunted house.

Richard and Jan Strelak own and operate Hotel Fear and The Asylum (www.lasvegashaunts.com), two high-tech, mobile haunted

houses built on semitrailers. Through clever special effects, the trailers quickly transform into entire buildings. The Asylum, for instance, has a swing-up façade that replicates a two-story building. "Many people have gone through and swear that they went upstairs, even though there are no stairs within the attraction," says Richard Strelak, a Costco member and former Costco warehouse manager.

"Most people think of a haunted house as being in an actual old scary house on a secluded block, like in the movies," Strelak explains. "But regulations and zoning have

largely prohibited such events. In our market, since 2001, we have adapted by building the attraction in tractor trailers. They are combined to create a totally mobile attraction."

The Strelaks, who run their business under the name R&J Productions, budget for 10,000 visitors. Las Vegas has no lack of entertainment, so they're up against stiff competition. Because their attractions operate for only about 20 days during October, they work hard all year long to come up with eye-popping novelties, redesigning and building elaborate special effects with pneumatics, lighting, other visuals, a sophisticated sound system and air canisters that blast bursts of air on visitors.

If you are visiting Las Vegas this month, be careful which hotel you check into.

—Will Fifield

CHARLOTTE KELLY

Close-knit community

THE NEEDLEWORK ministry of Holy Name Church in Birmingham, Michigan, works to mend tears in the fabric of their surrounding communities. Since learning that newborns at Hutzel Women's Hospital in Detroit and North Oakland Medical Center in Pontiac were in desperate need of blankets and hats, they've focused their efforts on these communities. Each week, a group of ladies meets to knit baby blankets and hats for newborns.

Holy Name parishioners also purchase pajamas for the babies. "Most of the newborn clothing we purchase comes from Costco," says knitter Charlotte Kelly.—WF

Left to right, nurses Rosalyn Harris and Rosalyn Hall of Hutzel Hospital in Detroit and Janet Zemke, Margaret Lyons and Freddie Corrigan of Holy Name Church.



Adam@Home by Brian Basset



SPECIAL TO THE CONNECTION. ADAM © BY BRIAN BASSET, UNIVERSAL PRESS SYNDICATE

Monkey see

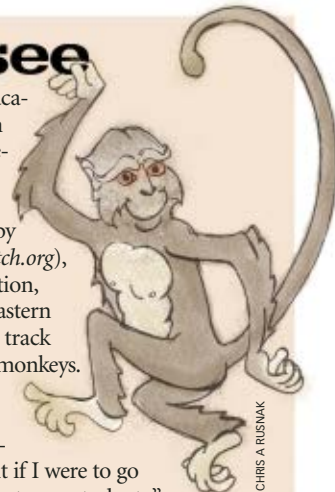
WHEN CONTEMPLATING her vacation, Costco member Barbara Purn decided that she wanted to do something that made a difference. So the 56-year-old teacher and mother of three volunteered and was selected by Earthwatch Institute (www.earthwatch.org), an international nonprofit organization, to accompany a research group to eastern Kenya's lowland forest and research, track and record the movements of Sykes monkeys.

"Part of my curriculum at Villa Academy [in Seattle] is teaching my second-grade students about endangered animals," says Purn. "I thought if I were to go on a trip, I'd be able to bring it closer to my students."

Accompanied by six other teachers from around the country and two researchers, Purn spent 10 days in July following and recording the movements of the monkeys.

"It was hard work," admits Purn. "We observed a remote group, which, because they were less habituated, were not used to people and hard to find."

"These monkeys are stressed due to threatened food sources, Purn continues. "I'm hoping that my students get an understanding of the relationship of habitat encroachment with animal health and safety as a result of this." —T. Foster Jones



CHRIS A. RUSNAK

We want to hear from you

IF YOU HAVE a note, photo or story to share (it should be about Costco or Costco members in some way), you can send it to "The Member Connection," *The Costco Connection*, P.O. Box 34088, Seattle, WA 98124-1088, or e-mail to connection@costco.com with "The Member Connection" in the subject line. Submissions cannot be acknowledged or returned.

☒ C

Save up to 50% on Check Printing compared to typical bank pricing! Executive Members save an additional 20%.



Costco check printing now offers checks featuring a selection of Costco warehouses. In addition to Costco checks, many other styles of personal and business checks are available.

- 3-To-The-Page Business Checks
- Personal Checks
- Laser Checks
- Personal Desk Checks
- Business Forms
- Deposit Tickets
- Pre-inked Stamps
- Double-Window Envelopes
- Deposit Bags
- Address Labels
- Save on Business Tax Forms, too!

For a complete list of business and personal check products, for pricing and to order, visit **costco.com** and click on Services, or call toll-free 1-877-534-3769. 06EX1

THE CAPITAL ONE® MONEY MARKET ACCOUNT

5.14% APY*

Exclusively for Costco members!

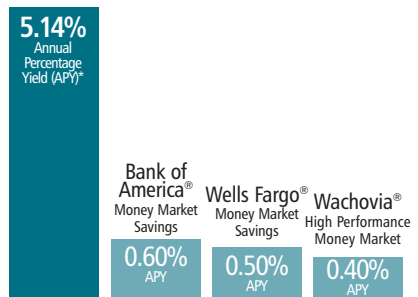
The smart choice for savings:

- ▶ Easy access to your money with checks and ATMs♦
- ▶ Online transfers to and from your existing bank accounts♦
- ▶ No fees and get started with as little as \$5,000
- ▶ The security of FDIC insurance

Visit costco.com and click on Services, or call 1-866-630-7955.

BIGGER IS BETTER.

Capital One Money Market Account



Competitor comparison information pulled from www.bankofamerica.com, www.wellsfargo.com, and www.wachovia.com as of 8/7/2006 using New York money market account rates. Rates assume \$5,000 account balance. The above non-Capital One service marks are owned by each respective entity. All rights reserved.

Costco Executive Members receive a \$25 interest credit on their first account opened.†



MEMBER FDIC
Capital One Bank
Capital One, F.S.B.



* As of 8/9/2006, if the daily balance of this money market account was \$100 or more, the APY was 5.14%; if not, the APY was 0.00%. Minimum initial deposit amount is \$5,000. Terms and conditions of this offer are subject to change without notice. Rates are variable and are subject to change. Fees could reduce earnings. This product is offered by Capital One, F.S.B. and Capital One Bank, members FDIC.

♦ Withdrawal limits apply.

† To receive the \$25 bonus, which will be credited to your first new money market account as interest income at time of account opening, you must be a Costco Executive Member at that time and must meet minimum initial deposit requirements to open the account.

© 2006 Capital One Services, Inc. Capital One is a federally registered service mark. All rights reserved.

06EX1306 10/06 07159-1